



**County of San Luis Obispo, California
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2002**

Prepared under the direction of Gere W. Sibbach, CPA, Auditor-Controller



INDEX



COUNTY OF SAN LUIS OBISPO
COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2002

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal.....	i
Certificate of Achievement for Excellence in Financial Reporting	vi
Directory of County Officials.....	vii
Administrative Organization Chart.....	viii
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report.....	3
Management's Discussion and Analysis	7
<u>Basic Financial Statements</u>	
Government-wide Financial Statements:	
Statement of Net Assets	22
Statement of Activities.....	23
Fund Financial Statements:	
<u>Governmental Funds:</u>	
Balance Sheet	26
Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Assets.....	27
Statement of Revenues, Expenditures, and Changes in Fund Balances	28
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities	29
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual: General Fund	30
<u>Proprietary Funds:</u>	
Statement of Net Assets	32
Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	36
Statement of Cash Flows	38
<u>Fiduciary Funds:</u>	
Statement of Fiduciary Net Assets:	
Statement of Fiduciary Net Assets - Agency Funds.....	42
Investment Trust Funds.....	42
Pension Trust Fund	44
Statement of Changes in Fiduciary Net Assets:	
Investment Trust Fund	43
Pension Trust Fund	45
Notes to the Basic Financial Statements	49

TABLE OF CONTENTS (continued)

SECTION	PAGE
Combining and Individual Fund Statements and Schedules:	
<u>Nonmajor Governmental Funds:</u>	
Combining Balance Sheet	84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	85
Debt Service Funds:	
Combining Balance Sheet	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	87
Special Revenue Funds:	
Combining Balance Sheet	88
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	94
Special Revenue - Special District Funds:	
Combining Balance Sheet	100
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	101
Budgetary Comparison Schedules:	
Capital Projects Fund	105
Special Revenue – Non Special District Funds	106
Special Revenue – Special District Funds	123
<u>Nonmajor Enterprise Funds:</u>	
Combining Statement of Net Assets	130
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	132
Combining Statement of Cash Flows	134
<u>Internal Service Funds:</u>	
Combining Statement of Net Assets	140
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	142
Combining Statement of Cash Flows	144
Internal Service Funds – Insurance Funds	
Combining Statement of Net Assets	146
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	148
Combining Statement of Cash Flows	150
<u>Fiduciary Funds:</u>	
Agency Funds:	
Combining Statement of Fiduciary Net Assets	155
Investment Trust Funds:	
Combining Statement of Fiduciary Net Assets – Investment Trust Funds	156
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	158
<u>DETAIL BUDGET SCHEDULES (unaudited)</u>	
General Fund	164
Special Revenue - Non Special District Funds	174
Special Revenue - Special District Funds	178

TABLE OF CONTENTS (continued)

SECTION	PAGE
---------	------

STATISTICAL SECTION (unaudited)

General and Special Revenue Funds Revenues by Source.....	183
General and Special Revenue Funds Expenditures by Function	184
General and Special Revenue Funds Revenues vs. Expenditures - Bar Graph	185
Property Tax Levies from County and State Assessment - Line Graph	186
Current Secured Property Tax Levies, Collections, and Delinquencies	187
Assessed Valuations.....	188
Principal Taxpayers.....	189
Property Tax Rates for County and Major Overlapping Governments	190
Assessed Valuation and Legal Debt Margin	191
Direct and Overlapping Bonded Debt	192
County Bonded Debt as Percentage of Net Assessed Value	193
Revenue Bond Coverage.....	194
Demographic Statistics	195
Property Values, Construction, and Bank Deposits	196
Top Ten Employers.....	197
Miscellaneous Statistical Data	198



INTRODUCTORY SECTION



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GERE W. SIBBACH, CPA
Auditor-Controller
BILL ESTRADA
Assistant

October 28, 2002

Honorable Board of Supervisors
County of San Luis Obispo
Room 370, County Government Center
San Luis Obispo, California 93408

Your Honorable Board:

The Comprehensive Annual Financial Report (CAFR) of the County of San Luis Obispo for the fiscal year ended June 30, 2002, is hereby submitted as mandated by Sections 25250 and 25253 of the Government Code of the State of California. These statutes require that the County publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The statements are significantly different this year in many respects due to the implementation of a new pronouncement known as GASB 34; see management's discussion and analysis for more details.

This report consists of management's representations concerning the finances of the County of San Luis Obispo. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County of San Luis Obispo has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County of San Luis Obispo's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County of San Luis Obispo's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County of San Luis Obispo's financial statements have been audited by Bartig, Basler & Ray, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County of San Luis Obispo for the fiscal year ended June 30, 2002, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County of San Luis Obispo's financial statements for the fiscal year

ended June 30, 2002, are fairly presented and in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County of San Luis Obispo County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County of San Luis Obispo's separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County of San Luis Obispo's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The County of San Luis Obispo, incorporated in 1850, is located on the central coast of the State of California, midway between Los Angeles and San Francisco. The County of San Luis Obispo currently occupies a land area of 3,326 square miles and serves a population of 252,075 residents. Approximately 42% of the population resides in the unincorporated area. The seven cities of the County are Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach and San Luis Obispo.

A five-member County Board of Supervisors is the legislative authority and governance for the County. Each supervisor is elected to a four-year term in nonpartisan districts. The terms are staggered with two supervisors being elected then three supervisors being elected in alternating election years. The Board is responsible among other things, for establishing ordinances, adopting the budget, appointing committees, and hiring the County Administrator and non-elected department heads. The County Administrator is responsible for carrying out the policies and ordinances of the Board and for overseeing the day-to-day operations of the County. The County has six elected department heads responsible for the offices of the County Clerk-Recorder, Assessor, Treasurer-Tax Collector-Public Administrator, Auditor-Controller, District Attorney, and Sheriff-Coroner.

The County of San Luis Obispo provides a full range of services, including police and fire protection; construction and maintenance of highways, streets, and other infrastructure; health and social programs that promote the well-being of the community; and recreational activities and cultural events.

The annual budget serves as the foundation for the County of San Luis Obispo's financial planning and control. The County Budget Act, as presented in California Government Code section 29000 and 30200, provides the general provisions and requirements for preparing and approving the County budget. All County departments are required to submit budget requests to the County Administrator on or before June 10th of each year. The budgets are then reviewed by the County

Administrator, and compiled into a proposed budget with a County Administrator's recommendation. Public hearings are set in the month of June, with the Board of Supervisors adopting the final budget before the start of the next fiscal year. The proposed budget is prepared by fund, function (e.g., public safety), and department or budget unit (e.g., Sheriff). During the year, department heads may make transfers of appropriations within a budget unit with the approval of the County Administrator and Auditor-Controller. Transfers of appropriations between departments or increases in the budget from new revenue sources, reserves and/or contingencies require Board of Supervisors approval. Monthly estimates for both revenues and expenditures are used to assist departments with budgetary control and quarterly reports are submitted by each department to the County Administrator and Board on the status of their budgets.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds. For other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of the statements.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County of San Luis Obispo operates.

Local economy. The County of San Luis Obispo currently enjoys a favorable economic environment and local indicators point to continued stability. Unemployment in the County is 3.4%, which is much lower than the state (6.3%) and national average (5.9%). The County's lower unemployment is attributable to the stability of its major employers including state, county and local government. The state has a major presence in this area with a correctional facility, state mental hospital and state university, making it the largest employer in the County.

The major revenue indicators continue to perform favorably with an increase in property tax of 9% over last year, coupled with an increase in assessed value of \$2.1 billion. This growth along with people's desire to live in the area is reflected in a median home price jump of 20% within the last year. Other economic indicators, such as sales tax and transient occupancy tax, experienced similar growth of 4.4% and 4.2%, respectively over the last year and are expected to continue this trend.

Long-term financial planning. The County has taken a cautious approach in setting the budget for the 2002-2003 fiscal year due to the unknown impacts of the state budget. For the 2002-2003 fiscal year the Board adopted a "status quo" budget with a moderate 3.3% growth in the general fund. Some moderate reductions were made to the mental health and alcohol services programs in anticipation of the state's shortfall. In accordance with Board policy, reserves and designations were kept at a prudent level and restricted to one-time expenditures such as capital outlay or equipment purchases. This policy keeps operational needs in check with current available financing and recognizes the need to use reserves as a resource for future commitments.

Each year a 5-year Capital Improvement Program (CIP) is compiled. The CIP is a plan for short range and long range capital acquisition and development. It also includes plans to improve or

rehabilitate County-owned roads and facilities. The plan provides the mechanism for estimating capital requirements; setting priorities; monitoring and evaluating the progress of capital projects; and informing the public of projected capital improvements and unfunded needs. While the CIP covers a five-year planning period, it is updated each year to reflect ongoing changes as new projects are added, existing projects modified, and completed projects deleted from the plan document. The five-year CIP does not appropriate funds, rather it serves as a budgeting tool, identifying those Capital Project appropriations to be made through the adoption of the County's annual budget.

Cash management policies and practices. The County Treasurer adheres to a Board of Supervisors adopted investment policy in addition to the investment requirements specified by state statutes. The Auditor-Controller routinely reviews the investments to determine compliance with the investment policy and the Government Code, and submits the results to the Board of Supervisors and the County Treasury Oversight Committee for review. The maturities of the investments range from 1 day to 2 years, with an average maturity of 418 days. The net earned yield on investments was 3.85% during fiscal year 2001-02. At June 30, 2002, the County had \$415.5 million in Treasury cash and investments. Deposits were either insured by Federal depository insurance or collateralized. All collateral on deposits were held by the County, or its agent of the financial institution trust department in the County's name.

Under the pooled money concept, the County invests idle cash in various securities with maturities planned to coincide with projected needs while attempting to maximize yield and to minimize risk. Various funds within the county Treasury earn interest based on their average daily cash balance.

Risk management. The County of San Luis Obispo is self-insured for general liability, workers' compensation, unemployment insurance, and dental coverage. Various other insurance and excess insurance policies, as described in the notes to the financial statements, are carried to provide complete coverage. The insurance internal service funds are fully funded to meet all actuarially determined requirements as of June 30, 2002, for future claims costs for existing losses, including those incurred but not reported.

The County's Risk Management Division administers claims for the various programs, provides loss prevention services, such as safety training, and minimizes risk through various risk control strategies, such as developing job-related medical standards for employees.

Defined Benefit Pension Plan. The County has a single-employer defined benefit pension plan with mandatory participation for all full time permanent employees. The administration of the Plan is under a Board of Trustees. The Board of Supervisors is responsible for amending plan provisions. The Plan permits retirement for all employees at age 50 with 5 or more years of service credit. Participants are required to contribute to the Plan at rates for the current year ranging from 5.77% to 14.66% of their adjusted base salary as defined in the Plan document. Such contributions, together with the County's contributions, are currently invested in corporate notes, bonds, collateralized mortgage obligations, equity mutual funds, commingled real estate, real estate investment trusts and other short-term investments. As of December 31, 2001, the Plan had 40.117% of its net assets invested in the Vanguard Total Stock Market Portfolio Fund.

The Pension Plan uses the calendar year for financial reporting purposes. The Plan's most recent actuarial calculation, dated January 1, 2002, identified the actuarial required contribution (ARC) as

Honorable Board of Supervisors
October 28, 2002

\$15.97 million, with contributions of \$12.64 million, and a funding percentage of ARC at 79.1%. The calendar year-end net pension obligation was \$6.07 million.

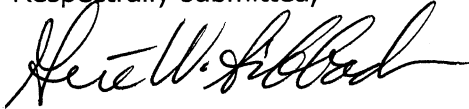
Additional information on the County of San Luis Obispo's Pension Plan's actuarial information and Plan provisions can be found in the notes to the financial statements.

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of San Luis Obispo for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2001. This was the sixteenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR). This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements. The preparation of the Comprehensive Annual Financial Report would not have been possible without the efficient and dedicated services of the entire staff of the Auditor-Controller's Office. We would like to acknowledge the special efforts of our Internal Audit Division and our independent auditors, Bartig, Basler and Ray, for their assistance in the report preparation. We would also like to express our appreciation to all County departments who assisted in this process and to the Board of Supervisors for its leadership responsibility and unfailing support to ensure the continued general fiscal health and integrity of the County.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Gere W. Sibbach', written in a cursive style.

Gere W. Sibbach, CPA
Auditor-Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of San Luis Obispo,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Timothy D. Brown
President

Jeffrey L. Esser
Executive Director

COUNTY OF SAN LUIS OBISPO
LIST OF ELECTED AND APPOINTED OFFICIALS

JUNE 30, 2002

Elected Officials

Board of Supervisors

District #1	Harry L. Ovitt
District #2	Shirley Bianchi
District #3	Peg Pinard
District #4	K.H. "Katcho" Achadjian
District #5	Michael P. Ryan

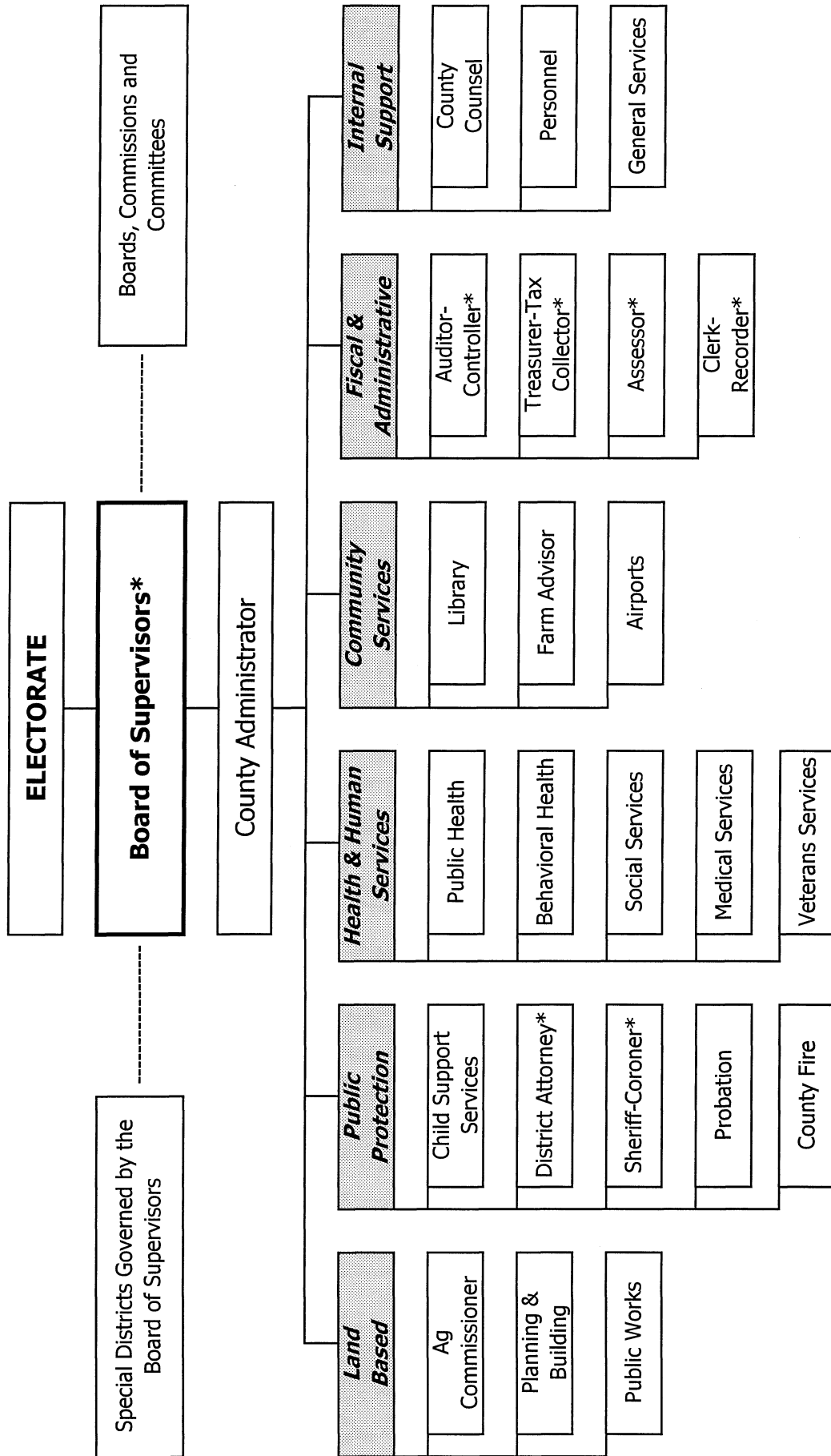
Other Elected Officials

Assessor	Dick Frank
Auditor-Controller	Gere W. Sibbach
Clerk-Recorder	Julie L. Rodewald
District Attorney	Gerald Shea
Sheriff-Coroner	J. Patrick Hedges
Treasurer/Tax Collector/Public Administrator	Frank L. Freitas

Appointed Officials

Agricultural Commissioner.....	Robert E. Lilley
County Administrator	David Edge
County Counsel	James B. Lindholm, Jr.
Director of Drug and Alcohol Services	Paul E. Hyman
Director of General Services	Duane P. Leib
Director of Behavioral Health Services	Dale R. Wolff, Ph.D.
Director of Social Services	Lee Collins
Director of Information Services	John M. Wade
Farm Advisor	Shirley Peterson
Public Health Director/Public Guardian	Gregory W. Thomas, M.D.
Library Director	Brian Reynolds
Personnel Director	Richard Greek
Planning Director	Victor Holanda
Probation Officer	Kim Barrett
Public Works Director	Noel King
Veterans Services Officer	William E. Simpson

County of San Luis Obispo Organizational Chart



* Elected Officials

FINANCIAL SECTION



Bartig, Basler & Ray

A Professional Corporation

Certified Public Accountants and Management Consultants

Frank V. Trythall
Kenneth E. Pope
Brad W. Constantine
Theril H. Lund
Bruce W. Stephenson

Curtis A. Orgill

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
of the County of San Luis Obispo
San Luis Obispo, California

We have audited the accompanying basic financial statements of the County of San Luis Obispo, California (the County) as of and for the year ended June 30, 2002. These basic financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the County of San Luis Obispo, California as of June 30, 2002, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 4, the County adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of July 1, 2001.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2002 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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Member: American Institute of Certified Public Accountants, Private Companies Practice Section, California Society of Certified Public Accountants,
Nevada Society of Certified Public Accountants, a member of Polaris International

The Management's Discussion and Analysis (MD&A) and the required supplementary information other than MD&A, are not a required part of the basic financial statements but are supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as whole. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County of San Luis Obispo, California. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the introductory and statistical sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the County of San Luis Obispo, California. Such additional information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

BARTIG, BASLER & RAY, CPAs, INC.

Bartig, Basler & Ray, CPAs, Inc.

October 3, 2002
Roseville California

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Member: American Institute of Certified Public Accountants, Private Companies Practice Section, California Society of Certified Public Accountants,
Nevada Society of Certified Public Accountants, a member of Polaris International

MANAGEMENT'S DISCUSSION AND ANALYSIS



COUNTY OF SAN LUIS OBISPO
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2002

As management of the County of San Luis Obispo, (the County), we offer readers the County's financial statements, this narrative overview, and analysis of the financial activities of the County for the fiscal year ended June 30, 2002. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the County's financial statements, which begins on page 22. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$1,254,170 (*net assets*). Of this amount \$150,601 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors, \$54,090 is restricted for specific purposes (*restricted net assets*), and \$1,049,479 is invested in capital assets, net of related debt. (Table A)
- The County's net assets increased by \$34,384 during the current fiscal year. The increase in restricted and unrestricted net assets represents the degree to which increases in ongoing revenues exceeded increases in ongoing expenses. The increase in capital assets net of related debt represents capital acquisitions during the year reduced by depreciation and increased by retirement of long-term debt. (Table B)
- As of June 30, 2002, the County's governmental funds reported combined ending fund balances of \$1,134,424, an increase of \$28,709 in comparison with the prior year. Approximately 11.5% of the combined fund balances, or \$129,902 is available for spending at the County's discretion for current and future needs (*unreserved fund balance*). (Table A)
- At the end of the fiscal year, unreserved fund balance of the general fund was \$68,187, or 29% of total general fund expenditures.
- Business-type activities posted a net loss of \$5,360 before general revenues, contributions and transfers from other funds. This was due mainly to the operating loss of \$8,689 experienced by the medical services department (County General Hospital). The Board of Supervisors in their meeting on October 15, 2002, approved the closure of the Hospital acute inpatient units. Plans to expand clinic services are currently being discussed.
- The County's total long-term debt decreased by \$5,630 or nearly 10.5%. Of this, \$3,945 represented an advance liquidation of a 1991 Certificates of Participation (COP) series using available general fund resources. The County is currently in the process of obtaining a loan through the issuance of COP to finance \$20 million of a projected \$40 million cost of a new government building.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *Government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (*business-type activities*). The governmental activities of the County include public protection, public ways and facilities, health and sanitation, public assistance, education, recreational and cultural services and general government. The main business-type activities of the County include the airports, golf courses, medical services (County General Hospital), flood control districts, and county services areas.

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. They include county service areas, transit districts, flood control districts, waterworks districts, lighting maintenance districts, and the San Luis Obispo County Public Facilities Corporation and San Luis Obispo County Financing Authority.

The government-wide financial statements can be found on pages 22 to 23 of this report.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains thirty individual governmental funds organized according to their type: *general, special revenue, debt service, and capital projects*. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital projects fund, which are considered to be major funds. Data from the remaining twenty-eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual budget for all of its governmental funds. A budgetary comparison statement has been provided for the general fund and any major special revenue fund to demonstrate compliance with this budget. Individual budgetary data for each of the non-major governmental funds is provided elsewhere in this report.

The basic governmental fund financial statements can be found on pages 26 to 30 of this report.

Proprietary funds - The County maintains two different types of proprietary funds, *enterprise* and *internal service funds*. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses *enterprise funds* to account for the airport, golf course, medical services (Hospital), transit districts, flood control districts, waterworks districts and county service areas. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its reprographic services, vehicle operations and maintenance, public works services, and self-insurance programs. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the governmental-wide financial statements.

Proprietary funds provide the same type of information as the *government-wide financial statement*, only in more detail. The airport, golf courses, medical services (County General Hospital), State Water Project, and Lopez flood control districts are considered to be major funds of the County and are presented separately in the *proprietary fund financial statements*. All other enterprise funds have been combined into a single column for presentation. The seven internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service and enterprise funds is provided in the form of *combining statements* found elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 32 to 41 of this report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 42 to 45 of this report.

Notes to the Basic Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 49 to 78 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information* concerning the County's general fund and special revenue funds budgetary schedules. Budgetary schedules demonstrating legal compliance with budgetary control are

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

presented as supplementary information. Detail budget information can be found on pages 164 to 179 of this report.

Combining and individual fund statements and schedules – The combining and individual fund statements and schedules referred to earlier provide information for non-major governmental funds, enterprise and internal service funds and are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 84 to 159 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

In accordance with changes in governmental accounting standards, the County applied Governmental Accounting Standards Board (GASB) Statement No. 34 to these financial statements. The County has not restated prior periods for purposes of providing the comparative data for the Management Discussion and Analysis (MD&A) because certain prior year information is unavailable. However, in future years a comparative analysis of government-wide data will be presented.

As stated earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$1,254,170.

Table A
Statement of Net Assets
June 30, 2002
(in thousands)

	Governmental Activities	Business- type Activities	Total Primary Government
Current assets:	\$ 241,822	\$ 34,550	\$ 276,372
Other long-term assets	1,270	18,262	19,532
Capital assets	955,648	124,854	1,080,502
Total assets	1,198,740	177,666	1,376,406
Liabilities:			
Long term-debt outstanding	52,120	42,293	94,413
Other liabilities	17,571	10,252	27,823
Internal balances	(5,375)	5,375	-
Total liabilities	64,316	57,920	122,236
Net assets:			
Invested in capital assets, net of debt	950,432	99,047	1,049,479
Restricted	54,090		54,090
Unrestricted	129,902	20,699	150,601
Total net assets	\$ 1,134,424	\$ 119,746	\$ 1,254,170

Analysis of Net Assets

Approximately 12%, or \$150,601, of the County's net assets represents unrestricted net assets, which may be used to meet the County's ongoing obligations to citizens and creditors.

The most significant portion of the County's net assets, \$1,049,479 or 83.7%, reflects its investment in capital assets net of accumulated depreciation (e.g. land and easements, structures and improvements, infrastructure, and equipment), less any outstanding related debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The remaining balance of the County's net assets of \$54,090, or 4.3%, represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the County reported positive balances in all three categories of net assets, both for the County as a whole, as well as for its separate governmental activities and business-type activities. The same situation was true for the prior fiscal year.

During the current fiscal year the County's net assets increased by \$34,384. The increase in restricted and unrestricted net assets represents the degree to which increases in ongoing revenues exceeded increases in ongoing expenses. Net assets invested in capital assets net of related debt increased by \$25,899. This represents capital acquisitions during the year of \$27,507, less depreciation of \$7,238, plus the retirement of related long term debt of \$5,630. Refer to Tables F and G and the corresponding discussions on capital assets and long-term debt for more details.

Governmental and Business-type Activities

The following table indicates the changes in net assets for governmental and business-type activities:

Table B
Statement of Activities
For the Year Ended June 30, 2002
(in thousands)

	Governmental Activities	Business-type Activities	Total Primary Government
Revenues:			
Program revenues:			
Charges for services	\$ 53,154	\$ 33,145	\$ 86,299
Operating grants and contributions	142,741	764	143,505
Capital grants and contributions	1,782	5,214	6,996
General revenues:			
Property taxes	78,802	2,369	81,171
Other taxes	11,828	-	11,828
Interest and investment income	10,969	2,186	13,155
Grants not restricted to specific programs	21,721	-	21,721
Other revenues	-	421	421
Total revenues	<u>320,997</u>	<u>44,099</u>	<u>365,096</u>
Expenses:			
General government	32,670	-	32,670
Public protection	92,131	-	92,131
Public ways and facilities	24,161	-	24,161
Health sanitation	43,912	-	43,912
Public assistance	78,006	-	78,006
Education	7,437	-	7,437
Recreational and cultural services	4,793	-	4,793
Interest on Long-term debt	3,119	-	3,119
Airport	-	2,405	2,405
Golf	-	2,585	2,285
Hospital	-	26,154	26,154
State water contract	-	5,813	5,813
Lopez dam	-	1,950	1,950
Non major special districts	-	5,576	5,576
Total expenses	<u>286,229</u>	<u>44,483</u>	<u>330,712</u>
Excess before transfers	34,768	(384)	34,384
Transfers	(6,059)	6,059	-
Change in net assets	28,709	5,675	34,384
Net assets at beginning of year	<u>1,105,715</u>	<u>114,071</u>	<u>1,219,786</u>
Net assets at end of year	<u>\$ 1,134,424</u>	<u>\$ 119,746</u>	<u>\$ 1,254,170</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Governmental Activities

Governmental activities accounted for an increase of \$28,709 in net assets after transfers, representing 83.5% of the total increase net assets. Key contributing factors for the increase are as follows:

The County appeared untouched by the slow-down in the economy. Other than by a marked decrease in interest earnings of \$1.6 million, increases in certain key revenues linked to the economy point to a relatively stable economy. Increases in motor vehicles fees, general sales taxes, transient occupancy tax and building permits totaled \$2 million.

Property tax was the biggest factor that contributed to the increase in net assets. Property taxes increased by 9.9% fueled by a countywide increase in assessed value of \$1.4 billion. This increased property tax in governmental funds by \$6.2 million of which \$4.3 million pertains to the general fund.

State aid and federal aid to governments increased by \$17 million to provide enhanced services designed to improve the health and welfare of county residents.

Business-type activities

Business-type activities accounted for an increase in net assets of \$5,675. This was mainly due to \$4.9 million in governmental aid received for airport construction. Medical services (County General Hospital) continued to operate at a loss (\$8,689) and received support by the general fund to cover most of this shortfall. The Board of Supervisors has decided to close the hospital's acute inpatient operations and enter into contracts with private hospitals and plans to expand clinics to serve the uninsured and medically indigent population.

FUND FINANCIAL STATEMENT ANALYSIS

FINANCIAL ANALYSIS OF COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$191,908, an increase of \$23,358, in comparison with the prior year. Approximately 63.7% of the combined fund balances, or \$122,215, constitutes unreserved fund balance, which is available to meet the County's current and future needs. The remainder of fund balance, \$69,693, is reserved to indicate that it is not available for new spending because it has been committed to: 1) liquidate contracts and purchase orders of the prior period (\$31,419); 2) amounts reserved by outside agencies or legislation to pay for specific programs or specific use (\$33,227); 3) amounts due from other funds or governments that are long-term in nature and thus do not represent available spendable resources (\$3,640); 4) pay debt service of (\$1,167); and 5) a variety of other restricted purposes (\$240).

General Fund

The general fund is the chief operating fund of the County. As of the end of the current fiscal year, unreserved fund balance of the general fund was \$68,187 while total fund balance reached \$86,948. As a measure of the general fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures of \$237,286. Unreserved fund balance represents 28.7% of the total fund expenditure, while fund balance represents 36.6% of the same amount.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

During the current fiscal year the *general fund* net assets increased by \$18,706. The following provides an explanation for the increase in net assets.

- This increase is mainly due to increases in general revenues. Taxes in total posted an increase of \$13 million, including an increase in property taxes of \$9.2 million. Of this, \$4.3 million corresponds to an increase in assessed value while \$4.9 million represents a one-time adjustment to recognize revenues under the "teeter" method of tax distribution (See Note 6 to the financial statements).
- *Governmental aid* in the general fund increased by \$17 million for health and social services programs, which contributed to the increase in net assets.
- *Fine, forfeitures and penalties* accounted for an increase of \$2.1 million. Of this \$1.9 million represents a one-time adjustment for trial court revenue accruals.

Capital Projects

The *capital projects fund* was determined to be a major fund this year. This fund handles construction projects for the County. The fund has a total fund balance of \$36,104 of which \$20,665 is reserved for prior year's contract commitments. The net increase in the fund balance for the current year was \$268. Although this is a major fund, it is unlikely under normal circumstances that this fund will ever show a material increase in net assets because of its nature. Funding of specific projects comes from transfers from special revenue funds, public facilities fees, issuance of long term debt, aid from other government agencies, or from the County's general fund.

Governmental Fund Revenues

Revenues for governmental funds combined totaled \$332,882 in the current fiscal year, which represents an increase of approximately 11.6% from the prior fiscal year revenues of \$298,331.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year displayed.

Table C
Revenues Classified by Source
Governmental Funds
For the Year Ended June 30, 2002
(in thousands)

	<u>2001/2002</u>		<u>2000/2001</u>		<u>Increase/(Decrease)</u>	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Revenues by Source:						
Taxes	\$ 85,472	25.7%	\$ 85,851	28.8%	\$ (379)	(0.4%)
Licenses, Permits, Franchises	7,849	2.3%	7,592	2.5%	257	3.4%
Fines, Forfeits, and Penalties	7,861	2.4%	4,684	1.6%	3,177	67.8%
Revenues from Use of Money and Property	10,439	3.1%	7,600	2.6%	2,839	37.4%
Aid from Governmental Agencies	164,435	49.4%	150,359	50.4%	14,076	9.4%
Charges for Current Services	46,664	14.0%	24,584	8.2%	22,080	89.8%
Other Revenues	10,162	3.1%	17,661	5.9%	(7,499)	(42.5%)
Total	<u>\$ 332,882</u>		<u>\$ 298,331</u>		<u>\$ 34,551</u>	11.6%

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The following provides an explanation of revenues by source that changed significantly over the prior year in the governmental funds.

- The decrease in *total tax revenues* of \$379 is somewhat misleading due to a one-time \$16.5 million infusion of property tax revenues in the prior year. Property taxes this year increased 9.9% and continue to be a strong resource for the County's discretionary funds.
- *Fines, forfeitures and penalties* show an increase of \$3.2 million mainly due to a one-time adjustment of \$2.1 million to accrue court revenues.
- *Revenues from the Use of Money and Property* increased by \$2.8 million due to a reclassification of agency fund revenues to County revenues, despite a \$1.6 million reduction in interest earnings. (See Note 17 to the financial statements for additional information on the reclassification of agency funds.)
- *Aid from Governmental Agencies* increased by \$14 million. *General fund* posted an increase of \$17 million for social services and mental health programs, while the *roads special revenue fund* experienced a reduction of \$4.5 million. In addition, the County received almost \$3 million in reimbursed costs associated with a capital crime's trial.
- *Charges for current services* increased by \$22 million primarily due to a change in the presentation of interfund billings from *other revenues* to this category. For general fund, this accounting change amounted to \$9 million, in addition to a \$3 million increase for expanded services. Two new special revenue funds were created for development fees which accounted for \$5 million of the increase.
- *Other revenues* decreased by \$7 million, or 43%, due to the reclassification of interfund billings from this category to current services.

The following table presents the amount of expenditures by function as well as increases or decreases from the prior year.

Table D
Expenditures By Function
Governmental Funds
For the Year Ended June 30, 2002
(in thousands)

	<u>2001/2002</u>		<u>2000/2001</u>		<u>Increase/(Decrease)</u>	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Expenditures by Function:						
General Government	\$ 42,765	14.4%	\$ 35,472	13.8%	\$ 7,293	20.6%
Public Protection	89,119	30.1%	80,691	31.5%	8,428	10.4%
Public Ways and Facilities	20,836	7.0%	17,941	7.0%	2,895	16.1%
Health and Sanitation	43,071	14.5%	33,852	13.2%	9,219	27.2%
Public Assistance	77,350	26.1%	67,611	26.3%	9,739	14.4%
Education	7,285	2.5%	6,775	2.6%	510	7.5%
Recreational and Cultural Services	4,800	1.6%	6,255	2.4%	(1,455)	(23.3%)
Interest on Long-Term Debt	3,121	1.1%	1,697	0.7%	1,424	83.9%
Capital Outlay	7,919	2.7%	6,320	2.5%	1,599	25.3%
Total	<u>\$ 296,266</u>		<u>\$ 256,614</u>		<u>\$ 39,652</u>	15.5%

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The following provides an explanation of the expenditures by function that changed significantly over the prior year.

- *General government expenditures* increased by a total of \$7.3 million or 20.6%. Of this approximately \$4 million is attributable to the *general fund*, which was used for maintenance projects during the year.
- *Health and sanitation expenditures* increased by a total of \$9.2 million or 27.2%. *General fund* increased its expenditures by \$6.5, primarily in state and federal aided programs. The discontinuance of a fund type, *Expendable Trust*, resulted in showing an increase of \$3.3 million in the *Community Development* special revenue fund.
- *Recreation and cultural services* decreased by \$1.5 million, or 23.3%, mainly due to the reclassification of Lopez Recreation Area from a special revenue fund to an enterprise fund.
- *Interest on long term debt* increased by \$1.4 million or 84%. This reflects the reorganization of the debt service funds to show the Public Facilities Financing Corporation and the Public Financing Authority.
- *Capital outlay* increased by \$1.6 million or 25.3%. This reflects increased expenditures on a new government building with a project cost of \$40 million. Arrangements for outside financing of \$20 million of the cost are underway with the balance to be covered by County available resources.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The following table shows actual revenues, expenses and results of operations for the current fiscal year.

Table E
Statement of Revenues, Expenses and Results of Operations
Proprietary Funds
For the Year Ended June 30, 2002
(in thousands)

	Major Funds					Non Major Funds	Total
	Airport	Golf	Medical Services	State Water Project	Lopez Flood Control	Other Enterprise Funds	Total Enterprise
Operating Revenues	\$ 2,290	\$ 3,055	\$ 16,371	\$ 5,152	\$ 2,683	\$ 3,645	\$ 33,196
Operating expenses	<u>2,314</u>	<u>2,786</u>	<u>25,235</u>	<u>5,752</u>	<u>1,620</u>	<u>5,359</u>	<u>43,066</u>
Operating (loss)	(24)	269	(8,864)	(600)	1,063	(1,714)	(9,870)
Non-operating revenues (expenses), net	<u>148</u>	<u>(337)</u>	<u>175</u>	<u>977</u>	<u>445</u>	<u>1,877</u>	<u>3,285</u>
Net income (loss) before contributions and transfers	124	(68)	(8,689)	377	1,508	163	(6,585)
Contributions and transfers	<u>4,881</u>	<u>(33)</u>	<u>7,570</u>	<u>-</u>	<u>7</u>	<u>1,312</u>	<u>13,737</u>
Change in net assets	\$ <u>5,005</u>	\$ <u>(101)</u>	\$ <u>(1,119)</u>	\$ <u>377</u>	\$ <u>1,515</u>	\$ <u>1,475</u>	\$ <u>7,152</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

All the enterprise funds, other than Medical Services (County General Hospital), are expected to continue to meet all ongoing cost of operations and in the long term be able to maintain sufficient reserves.

- The *Airport* shows an operating loss of \$24. However, overall the change in net assets was an increase of \$5 million, which is due to \$4.9 million in federal aid being received for construction projects at the airport. Design, engineering and construction at the airport continues with projects to expand and improve taxiways, build a new terminal and a new car rental facility. The majority of the construction costs are funded by federal aid and new legislated fees.
- The *Golf Course* sustained a loss of \$337 before contributions and transfers, however it is expected to turn this around next year. Recent increases in golf fees and an anticipated reduction of interest on its long-term debt of \$8 million are expected to generate a modest profit in the near future.
- The *Medical Services* fund, which operates County General Hospital, sustained a loss of \$8,689, before contributions and transfers. The net loss after transfers from the County was \$1,119 for the year. The Board of Supervisors decided in October 2002 to close the County General Hospital's acute inpatient unit and plans to expand its clinic services and locations. Closure of the unit is expected within the next fiscal year.
- The *Lopez Dam* fund is midway complete in its \$30 million seismic retrofit project. Expected completion of the project is June 2003. The debt will be repaid by user fees and by property taxes.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, general fund appropriations increased by a total of \$17 million. This was funded by increases in budgeted revenues of \$11 million, and the balance coming from contingencies. In addition, \$3.3 million of contingencies and reserves were used to increase transfers to other funds. A total of \$4.6 million went to fund salary cost of living adjustments and negotiated benefits that traditionally are not included in the County's initial budget.

The majority of the increases in appropriations that are funded by revenues were in health and social services. State aid and federal aid budgeted revenues received increases of \$9 million.

Adjusted appropriations of \$250 million exceeded actual expenditures on a budgetary basis by \$9.5 million. This amount when combined with unused *contingency* appropriations of \$8.4 million resulted in an increase of \$17.9 million in fund balance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2002, the County had \$1,080,502 invested in a broad range of capital assets, including land, buildings and systems improvements, machinery and equipment, park facilities, golf courses, airport facilities, roads, bridges, dams, and water and sewer lines (see Table F below). This amount represents a net increase (including additions and deductions) of \$20,268 or 2%, over last year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Table F
Capital Assets
June 30, 2002
(in thousands)

	Governmental Activities 2000/2001 (as restated)	Governmental Activities 2001/2002	Business Type 2000/2001 (as restated)	Business Type 2001/2002	Total Capital Assets 2000/2001 (as restated)	Total Capital Assets 2001/2002
Land	\$ 11,954	\$ 12,825	\$ 15,198	\$ 15,590	\$ 27,152	\$ 28,415
Water Rights	-	-	30,728	30,496	30,728	30,496
Infrastructure Non Depreciable	757,696	757,696	-	-	757,696	757,696
Construction- in-progress	6,048	8,765	17,794	20,907	23,842	29,672
Structures & Improvements	75,647	80,747	61,807	80,097	137,454	160,844
Equipment	39,141	38,656	5,480	5,890	44,621	44,546
Infrastructure Depreciable	<u>197,018</u>	<u>194,349</u>	<u>-</u>	<u>-</u>	<u>197,018</u>	<u>194,349</u>
Subtotal	1,087,504	1,093,038	131,007	152,980	1,218,511	1,246,018
Less Accumulated Depreciation	<u>(135,316)</u>	<u>(137,390)</u>	<u>(22,961)</u>	<u>(28,126)</u>	<u>(158,277)</u>	<u>(165,516)</u>
Total	<u>\$ 952,188</u>	<u>955,648</u>	<u>\$ 108,046</u>	<u>\$ 124,854</u>	<u>\$ 1,060,234</u>	<u>\$ 1,080,502</u>

Major additions and future commitments in capital assets - Governmental activities

The implementation of the Countywide Facilities Master Plan is well underway. Phase 1 for the construction of a new General Government Facility commenced with goals of reducing leasing costs, improving work areas, allowing for growth over the next 10 years, and providing better public access to government services. The new facility will be located across the street from the current government center and will be occupied by administrative and internal service departments. As of June 30, 2002, the County has expended \$4,366, and has committed funds of \$35,286 to complete the project.

Major additions and future commitments in capital assets - Business-type activities

The airport completed a \$7.8 million runway extension and a \$2.6 million terminal expansion project.

In October 2001 the Lopez Dam Seismic Remediation Project was started. The purpose of the project is to make specific repairs and improvements to the Dam that are considered necessary for public safety. Customer water sales and property taxes the cost of the project. As of June 30, 2002, total expended funds was \$13,693 and the County has committed funds of \$16,307.

More detailed information about the County's capital assets is presented in Note 10 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Debt Administration

At the end of the current fiscal year, the County of San Luis Obispo had total notes and bonds payable of \$47,776. Of this amount, \$13,200 is backed by the full faith and credit of the County. The remainder of the County's debt consists of: \$30,475 in certificates of participation, which are repaid from a variety of revenues; and, \$3,117 in State loans and \$984 in revenue bonds which are repaid with water service revenue. Additionally, the County is liable for \$4,035 of special assessment debt in the event of default by the property owner subject to the assessment.

Table G
Outstanding Debt
June 30, 2002
(in thousands)

	Governmental Activities 2000/2001	Governmental Activities 2001/2002	Business Type 2000/2001	Business Type 2001/2002	Total 2000/2001	Total 2001/2002
Certificates of participation	\$ 10,976	\$ 6,486	\$ 24,224	\$ 23,989	\$ 35,200	\$ 30,475
State note	-	-	3,228	3,117	3,228	3,117
Revenue bonds	-	-	1,778	984	1,778	984
General obligation bonds	-	-	13,200	13,200	13,200	13,200
	<u>\$ 10,976</u>	<u>\$ 6,486</u>	<u>\$ 42,430</u>	<u>\$ 41,290</u>	<u>\$ 53,406</u>	<u>\$ 47,776</u>

The County's total notes and bonds payable decreased by \$5630, or 10.5%, during the current fiscal year. This reduction is due to both the regularly scheduled debt service payments and the early redemption of \$3,945 of a 1991 certificates of participation issue. The early redemption will also decrease future debt service payments by approximately \$350 per year.

The County's recent debt issues have maintained a "AAA" rating from Standard & Poor's and a "Aaa" rating from Moody's. These issues were the 1995 series certificates of participation and 2000 series A revenue bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 1.25% of its net assessed valuation. The current debt limitation for the County is \$290,868, which provides a significant cushion over the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in Note 16 to the financial statements. Also see Note 24 to the financial statements for information on debt expected to be issued in December 2002.

Other liabilities include compensated absences (\$16.1 million), landfill post-closure costs (\$3.2 million), net pension obligation (\$6.1 million), and self-insurance (\$21.2 million). More detailed information about the County's long-term liabilities are presented in Note 16 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The budget for 2002/2003 fiscal year is a "status quo" budget with a moderate 3.3% growth for the general fund.
- Full impacts of the state budget cuts and revenue shortfalls are unknown and may require revisiting departmental budgets, particularly those with health and social services programs.
- The continued slow national and state economic growth will gradually slow the economy of San Luis Obispo County.
- The County still maintains a stable economic environment due to the major employers being government and utilities.
- The County's unemployment rate is at 3.4%, considerably lower than the state rate of 6.3% and the national rate of 5.9%.
- The major sources of revenues stimulated by the economy continue to perform favorably:
 - Property taxes grew by over 9% in the most recent year with an increase in assessed value of \$2.1 billion.
 - The median price of homes jumped by 20% within the last year.
 - Transit occupancy tax grew by 4.2% last year and is expected to maintain that pace.
 - Sales tax is budgeted consistent with last year, which experienced a 4.4% increase.
- The Board of Supervisors adopted the 2002-2003 budget on June 10, 2002, with a \$41 million fund balance in the general fund of which \$21.5 million was appropriated to finance the current year's expenditures, \$8 million was placed in general reserves, and \$12 million was earmarked for designations. The County budget also includes community-wide results and indicators as well as department goals and performance measures that gauge how departments are meeting the needs of the community.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Auditor-Controller, San Luis Obispo County Government Center, Room 300, San Luis Obispo, California 93408.



BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF SAN LUIS OBISPO
STATEMENT OF NET ASSETS
JUNE 30, 2002 (in thousands)

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
Assets:			
Cash and cash equivalents	\$ 208,293	\$ 29,232	\$ 237,525
Accounts receivable, net	35	2,961	2,996
Property taxes receivable	6,047	-	6,047
Other receivables	8,211	1,360	9,571
Due from other governments	17,224	167	17,391
Deposits with others	-	13	13
Inventories	364	814	1,178
Prepaid items	240	3	243
Loans receivable	1,368	-	1,368
Other assets	40	-	40
Total current assets	241,822	34,550	276,372
Restricted cash with fiscal agent	1,270	17,214	18,484
Capital assets:			
Nondepreciable	779,286	66,993	846,279
Depreciable, net	176,362	57,861	234,223
Deferred charges and other assets		1,048	1,048
Total non-current assets	956,918	143,116	1,100,034
Total assets	1,198,740	177,666	1,376,406
Liabilities:			
Accounts payable	9,981	5,364	15,345
Trust deposits	239	-	239
Internal balances	(5,375)	5,375	-
Deposits from others	761	2,760	3,521
Salaries and benefits payable	3,234	300	3,534
Deferred revenue	1,691	1,223	2,914
Accrued interest	165	-	165
Other short term liabilities	1,500	605	2,105
Long Term Liabilities:			
Portion due or payable within one year:			
Bonds,notes and leases payable	575	1,123	1,698
Compensated absences	10,709	842	11,551
Landfill closure/postclosure costs	217	-	217
Self insurance payable	5,290	-	5,290
Portion due or payable after one year:			
Bonds,notes and leases payable	5,911	40,167	46,078
Compensated absences	4,477	70	4,547
Landfill closure/postclosure costs	3,006	-	3,006
Self-insurance payable	15,865	-	15,865
Net pension obligation	6,070	-	6,070
Other long term debt	-	91	91
Total liabilities	64,316	57,920	122,236
Net Assets:			
Invested in capital assets, net of related debt	950,432	99,047	1,049,479
Restricted	54,090	-	54,090
Unrestricted	129,902	20,699	150,601
Total net assets	\$ 1,134,424	\$ 119,746	\$ 1,254,170

The notes to the financial statements are an integral part of this statement.

COUNTY OF SAN LUIS OBISPO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

Functions / Programs:	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 32,670	\$ 34,074	\$ 1,229	\$ -	\$ 2,633	\$ -	\$ 2,633
Public protection	92,131	5,119	28,731	1,368	(56,913)	-	(56,913)
Public ways and facilities	24,161	3,692	11,901	356	(8,212)	-	(8,212)
Health and sanitation	43,912	5,495	34,122	-	(4,295)	-	(4,295)
Public assistance	78,006	853	66,100	-	(11,053)	-	(11,053)
Education	7,437	1,593	658	-	(5,186)	-	(5,186)
Recreational and cultural services	4,793	2,328	-	58	(2,407)	-	(2,407)
Interest on long-term debt	3,119	-	-	-	(3,119)	-	(3,119)
Total governmental activities	286,229	53,154	142,741	1,782	(88,552)	-	(88,552)
Business-type activities:							
Airport	2,405	2,290	-	4,881	-	4,766	4,766
Golf	2,585	3,055	-	-	-	470	470
Hospital	26,154	16,371	171	-	-	(9,612)	(9,612)
State Water Project	5,813	5,101	8	-	-	(704)	(704)
Lopez Dam	1,950	2,683	17	-	-	750	750
Other special districts	5,576	3,645	568	333	-	(1,030)	(1,030)
Total business-type activities	44,483	33,145	764	5,214	-	(5,360)	(5,360)
Total primary government	\$ 330,712	\$ 86,299	\$ 143,505	\$ 6,996	(88,552)	(5,360)	(93,912)
General revenues:							
Taxes							
Property taxes					78,802	2,369	81,171
Sales taxes					5,393	-	5,393
Transient occupancy tax					4,405	-	4,405
Other taxes					2,030	-	2,030
Grants not restricted to specific programs					21,721	-	21,721
Interest earning not restricted to specific programs					10,969	2,186	13,155
Other revenue					-	421	421
Transfers					(6,059)	6,059	-
Total general revenues and transfers					117,261	11,035	128,296
Change in net assets					28,709	5,675	34,384
Net assets - beginning of year					1,105,715	114,071	1,219,786
Net assets - end of year					\$ 1,134,424	\$ 119,746	\$ 1,254,170

The notes to the financial statements are an integral part of this statement.



BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS

COUNTY OF SAN LUIS OBISPO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2002 (in thousands)

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Cash and cash equivalents	\$ 73,123	\$ 36,219	\$ 67,894	\$ 177,236
Accounts receivable, net	22	-	10	32
Accrued property taxes receivable	6,047	-	-	6,047
Loans receivable	63	-	-	63
Other receivables	7,453	364	303	8,120
Due from other county funds	268	-	43	311
Due from other governments	14,953	280	1,991	17,224
Prepaid items	240	-	-	240
Advances to other funds	3,639	-	154	3,793
Restricted cash with fiscal agent	-	-	1,270	1,270
Other assets	40	-	1,305	1,345
Total assets	<u>\$ 105,848</u>	<u>\$ 36,863</u>	<u>\$ 72,970</u>	<u>\$ 215,681</u>
<u>Liabilities and fund balances:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 7,622	\$ 759	\$ 337	\$ 8,718
Trust deposits	47	-	192	239
Due to other county funds	1	-	787	788
Deposits from others	174	-	422	596
Salaries and benefits payable	2,837	-	154	2,991
Deferred revenue	6,719	-	130	6,849
Other short term liabilities	1,500	-	1,305	2,805
Advances from other county funds	-	-	622	622
Accrued interest	-	-	165	165
Total liabilities	<u>18,900</u>	<u>759</u>	<u>4,114</u>	<u>23,773</u>
<u>Fund balances:</u>				
Reserved	18,761	20,665	30,267	69,693
Unreserved	68,187	15,439	-	83,626
Unreserved, reported in nonmajor Special revenue funds			38,589	38,589
Total fund balance	<u>86,948</u>	<u>36,104</u>	<u>68,856</u>	<u>191,908</u>
Total liabilities and fund balances	<u>\$ 105,848</u>	<u>\$ 36,863</u>	<u>\$ 72,970</u>	<u>\$ 215,681</u>

The notes to the financial statements are an integral part of this statement.

(Back to Index)

COUNTY OF SAN LUIS OBISPO
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
JUNE 30, 2002 (in thousands)

	<u>Amount</u>
<u>Fund balances - total governmental funds</u>	\$ 191,908
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	945,174
Internal service funds are used by the County to charge the cost of vehicle fleet management, centralized reprographic services, comprehensive public works services, and operations of the County's workers' compensation, protected self-insurance, unemployment, and dental insurance programs to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.	20,562
Accrued Property tax revenues are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	5,158
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	<u>(28,378)</u>
Net assets of governmental activities	<u>\$ 1,134,424</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SAN LUIS OBISPO
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Taxes	\$ 77,927	\$ 500	\$ 7,045	\$ 85,472
Licenses, permits, and franchises	7,838	-	11	7,849
Fines, forfeits, and penalties	5,840	956	1,065	7,861
Revenues from use of money and property	6,843	1,052	2,544	10,439
Aid from governmental agencies	145,493	98	18,844	164,435
Charges for current services	24,196	958	21,510	46,664
Other revenues	9,071	286	805	10,162
Total revenues	<u>277,208</u>	<u>3,850</u>	<u>51,824</u>	<u>332,882</u>
<u>Expenditures:</u>				
Current:				
General government	36,189	-	6,576	42,765
Public protection	87,779	-	1,340	89,119
Public ways and facilities	-	-	20,836	20,836
Health and sanitation	38,862	-	4,209	43,071
Public assistance	73,897	-	3,453	77,350
Education	269	-	7,016	7,285
Recreational and cultural services	-	-	4,800	4,800
Debt service:				
Principal payments	-	-	4,735	4,735
Interest and fiscal charges	290	-	2,831	3,121
Capital outlay	-	7,919	-	7,919
Total expenditures	<u>237,286</u>	<u>7,919</u>	<u>55,796</u>	<u>301,001</u>
Excess (deficiency) of revenues over expenditures	<u>39,922</u>	<u>(4,069)</u>	<u>(3,972)</u>	<u>31,881</u>
<u>Other financing sources (uses):</u>				
Transfers in	547	4,337	17,086	21,970
Transfers (out)	(21,763)	-	(8,730)	(30,493)
Total other financing sources and uses	<u>(21,216)</u>	<u>4,337</u>	<u>8,356</u>	<u>(8,523)</u>
Net change in fund balances	<u>18,706</u>	<u>268</u>	<u>4,384</u>	<u>23,358</u>
Fund balances - beginning, as previously reported	52,753	30,476	41,716	124,945
Prior period adjustments	15,489	5,360	22,756	43,605
Fund balances - beginning, as restated	<u>68,242</u>	<u>35,836</u>	<u>64,472</u>	<u>168,550</u>
Fund balances - ending	<u>\$ 86,948</u>	<u>\$ 36,104</u>	<u>\$ 68,856</u>	<u>\$ 191,908</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SAN LUIS OBISPO
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	<u>Amount</u>
<u>Net change in fund balances - total governmental funds</u>	\$ 23,358
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Property tax revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	5,158
Governmental funds report capital outlays as expenditures. These expenditures have no effect on net assets.	15,476
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense.	(12,076)
The net effect of various miscellaneous transactions involving capital assets such as sales, trade-ins and donations is to decrease net assets.	(464)
Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net assets.	4,735
Expenses related to liability accruals are reported in the statement of activities but do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.	(5,022)
Internal service fund are used by the County to charge the costs of vehicle fleet management, centralized reprographic services, comprehensive engineering services, and operations of the County's worker's compensation , protected self insurance, unemployment, and dental insurance programs to individual funds. The net revenues effect of internal service funds is reported with governmental activities.	(2,456)
Change in net assets of governmental activities	<u>\$ 28,709</u>

The notes to the financial statements are an integral part of this statement.

(Back to Index)

COUNTY OF SAN LUIS OBISPO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Budgetary Basis	Final Budget
				Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 65,238	\$ 65,242	\$ 77,927	\$ 12,685
Licenses, permits, and franchises	6,764	6,764	7,838	1,074
Fines, forfeits, and penalties	3,964	4,119	5,840	1,721
Revenues from use of money and property	4,966	4,966	6,843	1,877
Aid from governmental agencies	134,454	143,644	145,493	1,849
Charges for current services	22,633	23,379	24,196	817
Other revenues	5,182	6,533	9,071	2,538
Total revenues	243,201	254,647	277,208	22,561
<u>Expenditures:</u>				
Current:				
General government	36,618	40,424	37,662	2,762
Public protection	88,958	94,513	89,386	5,127
Health and sanitation	37,668	39,841	38,998	843
Public assistance	68,720	74,416	73,906	510
Education	271	271	269	2
Debt service:				
Interest and fiscal charges	542	542	290	252
Total expenditures	232,777	250,007	240,511	9,496
Excess (deficiency) of revenues over expenditures	10,424	4,640	36,697	32,057
<u>Other financing sources (uses):</u>				
Transfers in	-	876	547	(329)
Transfers (out)	(18,004)	(21,322)	(21,763)	(441)
Reserves, designations and contingencies	(16,583)	(8,357)		8,357
Total other financing sources and uses	(34,587)	(28,803)	(21,216)	7,587
Net change in fund balances	(24,163)	(24,163)	15,481	39,644
Budgetary fund balances—beginning	24,163	24,163	52,753	28,590
Prior period adjustment			15,489	15,489
Budgetary fund balances—beginning, as restated	24,163	24,163	68,242	44,079
Budgetary fund balances—ending	\$ -	\$ -	\$ 83,723	\$ 83,723
<u>Explanation of differences between budgetary outflows and GAAP expenditures:</u>				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule				\$ 240,511
Differences - budget to GAAP:				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule				(3,225)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances - General fund				\$ 237,286

The notes to the financial statements are an integral part of this statement.



COUNTY OF SAN LUIS OBISPO
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2002 (in thousands)

	Business-type Activities - Enterprise Funds			
	Airport	Golf	Medical Services	State Water Project
<u>Assets:</u>				
Current assets:				
Cash and cash equivalents	\$ 504	\$ 1,141	\$ 175	\$ 9,667
Accounts receivable, net	-	-	2,521	242
Other receivables	12	125	859	-
Due from other county funds	-	-	-	5
Due from other governments	167	-	-	-
Deposits with others	-	-	-	-
Inventory	-	-	814	-
Prepaid items	-	-	3	-
Total current assets	683	1,266	4,372	9,914
Noncurrent assets:				
Restricted cash with fiscal agent	-	1,008	-	-
Capital assets:				
Nondepreciable:				
Land	11,678	1,333	267	-
Construction in progress	244	-	-	153
Water rights	-	-	-	28,570
Depreciable:				
Structures & improvements, net	17,956	13,193	1,310	9,103
Equipment, net	27	216	773	22
Deferred charges and other assets	-	-	59	-
Total noncurrent assets	29,905	15,750	2,409	37,848
Total assets	30,588	17,016	6,781	47,762
<u>Liabilities:</u>				
Current liabilities:				
Accounts payable	52	166	1,712	2,563
Patient refunds	-	-	72	-
Interest payable	-	-	66	-
Self insurance payable	-	-	-	-
Deposits from others	-	-	-	2,605
Due to other county funds	2	-	225	32
Salaries and benefits payable	11	23	266	-
Accrued vacation - current	26	84	732	-
Deferred revenue	65	-	-	870
Notes and bonds payable - current	-	-	-	-
Leases payable - current	-	250	-	-
Other liabilities	-	-	-	-
Total current liabilities	156	523	3,073	6,070
Noncurrent liabilities:				
Self insurance liability	-	-	-	-
Advances from other funds	2,688	227	-	-
Notes and bonds payable	-	-	-	-
Leases payable	-	8,034	-	-
Accrued vacation and sick leave	14	43	13	-
Other long-term debt	-	-	-	-
Total noncurrent liabilities	2,702	8,304	13	-
Total liabilities	2,858	8,827	3,086	6,070

Continued on next page

The notes to the financial statements are an integral part of this statement.

COUNTY OF SAN LUIS OBISPO
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2002 (in thousands)

Business-type Activities - Enterprise Funds			Governmental Activities
Lopez Flood Control	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 6,662	\$ 11,083	\$ 29,232	\$ 31,057
33	165	2,961	3
105	259	1,360	91
-	232	237	1,218
-	-	167	-
-	13	13	-
-	-	814	364
-	-	3	-
6,800	11,752	34,787	32,733
16,206	-	17,214	-
2,096	216	15,590	-
14,191	6,319	20,907	-
1,926	-	30,496	-
8,516	6,539	56,617	770
32	174	1,244	9,704
989	-	1,048	-
43,956	13,248	143,116	10,474
50,756	25,000	177,903	43,207
689	21	5,203	1,263
-	-	72	-
23	-	89	-
-	-	-	5,290
-	155	2,760	165
236	469	964	14
-	-	300	243
-	-	842	-
199	89	1,223	-
275	118	393	-
480	-	730	-
605	-	605	-
2,507	852	13,181	6,975
-	-	-	15,865
-	256	3,171	-
630	3,078	3,708	-
28,425	-	36,459	-
-	-	70	1,282
91	-	91	-
29,146	3,334	43,499	17,147
31,653	4,186	56,680	24,122

Assets

Current assets:

Cash and cash equivalents
Accounts receivable, net
Other receivables
Due from other county funds
Due from other governments
Deposits with others
Inventory
Prepaid items

Total current assets

Noncurrent assets:

Restricted cash with fiscal agent

Capital assets:

Nondepreciable:

Land
Construction in progress
Water rights

Depreciable:

Structures & improvements, net
Equipment, net

Deferred charges and other assets

Total noncurrent assets

Total assets

Liabilities

Current liabilities:

Accounts payable
Patient refunds
Interest payable
Self insurance payable
Deposits from others
Due to other county funds
Salaries and benefits payable
Accrued vacation - current
Deferred revenue
Notes and bonds payable - current
Leases payable - current
Other liabilities

Total current liabilities

Noncurrent liabilities:

Self insurance liability
Advances from other funds
Notes and bonds payable
Leases payable
Accrued vacation and sick leave
Other long-term debt

Total noncurrent liabilities

Total liabilities

Continued on next page

The notes to the financial statements are an integral part of this statement.

COUNTY OF SAN LUIS OBISPO
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2002 (in thousands)

Business-type Activities - Enterprise Funds				
	Airport	Golf	Medical Services	State Water Project
<u>Net assets:</u>				
Invested in capital assets, net of related debt	27,217	7,466	2,409	37,848
Unrestricted	513	723	1,286	3,844
Total net assets	<u>\$ 27,730</u>	<u>\$ 8,189</u>	<u>\$ 3,695</u>	<u>\$ 41,692</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SAN LUIS OBISPO
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2002 (in thousands)

Business-type Activities - Enterprise Funds			Governmental Activities
Lopez Flood Control	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
14,055	10,052	99,047	10,474
5,048	10,762	22,176	8,611
<u>\$ 19,103</u>	<u>\$ 20,814</u>	<u>\$ 121,223</u>	<u>\$ 19,085</u>

Net assets

Invested in capital assets, net of related debt
Unrestricted

Total net assets

The notes to the financial statements are an integral part of this statement.

(Back to Index)

COUNTY OF SAN LUIS OBISPO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Business-type Activities - Enterprise Funds			
	Airport	Golf	Medical Services	State Water Project
<u>Operating revenues:</u>				
Charges for current services	\$ 2,290	\$ 3,055	\$ 16,371	\$ 5,152
Total operating revenues	<u>2,290</u>	<u>3,055</u>	<u>16,371</u>	<u>5,152</u>
<u>Operating expenses:</u>				
Salaries and benefits	597	1,202	12,161	-
Services and supplies	1,241	1,190	11,551	-
Other charges	-	-	112	5,557
Insurance benefit payments	-	-	-	-
Insurance premiums	-	-	207	-
Depreciation	280	394	358	195
Amortization	-	-	7	-
Countywide cost allocation	196	-	839	-
Total operating expenses	<u>2,314</u>	<u>2,786</u>	<u>25,235</u>	<u>5,752</u>
Operating income (loss)	<u>(24)</u>	<u>269</u>	<u>(8,864)</u>	<u>(600)</u>
<u>Nonoperating revenues (expenses):</u>				
Property taxes	-	-	-	537
Interest income	41	86	6	341
Aid from governmental agencies	-	-	171	8
Gain (loss) on sale of assets	-	(14)	-	-
Interest expense and fiscal charges	-	(458)	(2)	-
Other	107	49	-	91
Total nonoperating revenue (expenses)	<u>148</u>	<u>(337)</u>	<u>175</u>	<u>977</u>
Income (loss) before contribution and transfers	<u>124</u>	<u>(68)</u>	<u>(8,689)</u>	<u>377</u>
Transfers in	-	-	7,570	-
Transfers (out)	-	(33)	-	-
Capital contributions	4,881	-	-	-
Change in net assets	<u>5,005</u>	<u>(101)</u>	<u>(1,119)</u>	<u>377</u>
Net assets - beginning, as previously reported	22,547	7,589	4,810	41,315
Prior period adjustments	178	701	4	-
Net assets - beginning, as restated	<u>22,725</u>	<u>8,290</u>	<u>4,814</u>	<u>41,315</u>
Total net assets - ending	<u>\$ 27,730</u>	<u>\$ 8,189</u>	<u>\$ 3,695</u>	<u>\$ 41,692</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SAN LUIS OBISPO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

Business-type Activities - Enterprise Funds			Governmental Funds
Lopez Flood Control	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 2,683	\$ 3,645	\$ 33,196	\$ 56,850
2,683	3,645	33,196	56,850
-	14	13,974	12,561
-	506	14,488	36,595
1,423	4,536	11,628	-
-	-	-	9,586
-	-	207	391
197	303	1,727	1,732
-	-	7	-
-	-	1,035	1,783
1,620	5,359	43,066	62,648
1,063	(1,714)	(9,870)	(5,798)
937	895	2,369	-
1,189	523	2,186	1,204
17	568	764	-
-	-	(14)	(82)
(1,887)	(108)	(2,455)	-
189	(1)	435	(44)
445	1,877	3,285	1,078
1,508	163	(6,585)	(4,720)
7	1,026	8,603	-
-	(47)	(80)	-
-	333	5,214	787
1,515	1,475	7,152	(3,933)
17,588	19,339	113,188	23,018
-	-	883	-
17,588	19,339	114,071	23,018
\$ 19,103	\$ 20,814	\$ 121,223	\$ 19,085

Operating revenues:
Charges for current services
Total operating revenues

Operating expenses:
Salaries and benefits
Services and supplies
Other charges
Insurance benefit payments
Insurance premiums
Depreciation
Amortization
Countywide cost allocation
Total operating expenses
Operating income (loss)

Nonoperating revenues (expenses):
Property taxes
Interest income
Aid from governmental agencies
Gain (loss) on sale of assets
Interest expense and fiscal charges
Other
Total nonoperating revenue (expenses)
Income (loss) before contribution
and transfers
Transfers in
Transfers (out)
Capital contributions
Change in net assets

Net assets - beginning, as previously reported
Prior period adjustments
Net assets - beginning, as restated

Total net assets - ending

Adjustment to reflect the
consolidation of internal
service fund activities related
to enterprise funds

(1,477)
\$ 119,746

The notes to the financial statements are an integral part of this statement.

(Back to Index)

COUNTY OF SAN LUIS OBISPO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Business-type Activities - Enterprise Funds			
	Airport	Golf	Medical Services	State Water Project
<u>Cash flows from operating activities:</u>				
Receipts from customers, patients, third parties	\$ 2,119	\$ 3,477	\$ 11,900	\$ 5,534
Receipts from interfund billings	-	-	-	-
Cash received from other sources	-	-	890	-
Payments for goods and services	(1,494)	(1,839)	(9,236)	(5,436)
Payments to employees for service	(586)	(1,185)	(12,116)	-
Payments for insurance benefits	-	-	-	-
Payments for premiums	-	-	-	-
Payments to other sources	-	-	-	-
Net cash provided provided(used) by operating activities	39	453	(8,562)	98
<u>Cash flows from noncapital financing activities:</u>				
Property tax proceeds	-	-	-	539
Grants and subsidies from other gov't agencies	-	-	-	8
Operating transfers from other funds	-	-	7,570	91
Operating transfers to other funds	-	(10)	-	-
Net cash used by capital and related financing activities	-	(10)	7,570	638
<u>Cash flows from capital and related financing activities:</u>				
Purchases and construction of capital assets	(283)	(66)	-	-
Proceeds from sale of capital assets	-	-	-	-
Principal paid on capital debt	(93)	(235)	(54)	-
Interest and fiscal charges paid on capital debt	-	(458)	(2)	-
Capital grants used	-	-	171	-
Capital contributions	(823)	-	-	-
Other receipts (payments)	9	40	-	(851)
Net cash provided(used) by capital and related financing activities	(1,190)	(719)	115	(851)
<u>Cash flows from investing activities:</u>				
Interest received	41	24	5	341
Other investing activities	-	-	-	-
Net cash provided(used) by investing activities	41	24	5	341
Net increase (decrease) in cash and cash equivalents	(1,110)	(252)	(872)	226
Total cash and cash equivalents, beginning of year, as previously reported	1,379	1,700	1,043	9,441
Prior period adjustment	235	701	4	-
Total cash and cash equivalents, beginning of year, as restated	1,614	2,401	1,047	9,441
Total cash and cash equivalents, end of year	\$ 504	\$ 2,149	\$ 175	\$ 9,667

Continued on next page

The notes to the financial statements are an integral part of this statement.

COUNTY OF SAN LUIS OBISPO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

Business-type Activities - Enterprise Funds			Governmental Activities
Lopez Flood Control	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 2,892	\$ 3,546	\$ 29,468	\$ -
-	-	-	56,635
-	42	932	-
(1,580)	(5,046)	(24,631)	(38,573)
-	-	(13,887)	(12,490)
-	-	-	(6,851)
-	-	-	(391)
-	(4)	(4)	-
1,312	(1,462)	(8,122)	(1,670)
937	894	2,370	-
17	581	606	-
924	23	8,608	-
(1,982)	422	(1,570)	-
(104)	1,920	10,014	-
(9,547)	(1,099)	(10,995)	(2,128)
-	-	-	302
(585)	(662)	(1,629)	-
(1,887)	(109)	(2,456)	-
-	-	171	-
-	(4)	(827)	172
1,488	536	1,222	-
(10,531)	(1,338)	(14,514)	(1,654)
1,189	522	2,122	1,203
-	10	10	-
1,189	532	2,132	1,203
(8,134)	(348)	(10,490)	(2,121)
31,002	11,431	55,996	33,178
-	-	940	-
31,002	11,431	56,936	33,178
\$ 22,868	\$ 11,083	\$ 46,446	\$ 31,057

Cash flows from operating activities:

Receipts from customers, patients, third parties
Receipts from interfund billings
Cash received from other sources
Payments for goods and services
Payments to employees for service
Payments for insurance benefits
Payments for premiums
Payments to other sources
Net cash provided (used) by
by operating activities

Cash flows from noncapital financing activities:

Property tax proceeds
Grants and subsidies from other gov't agencies
Operating transfers from other funds
Operating transfers to other funds
Net cash used by capital and
related financing activities

Cash flows from capital and related
financing activities:

Purchases and construction of capital assets
Proceeds from sale of capital assets
Principal paid on capital debt
Interest and fiscal charges paid on capital debt
Capital grants used
Capital contributions
Other receipts (payments)
Net cash (used) by capital and
related financing activities

Cash flows from investing activities:

Interest received
Other investing activities
Net cash provided(used) by
investing activities
Net increase (decrease) in cash
and cash equivalents
Total cash and cash equivalents, beginning of year,
as previously reported
Prior period adjustment
Total cash and cash equivalents, beginning of year,
as restated
Total cash and cash equivalents, end of year

Continued on next page

The notes to the financial statements are an integral part of this statement.

COUNTY OF SAN LUIS OBISPO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Business-type Activities - Enterprise Funds			
	Airport	Golf	Medical Services	State Water Project
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>				
Operating income (loss)	\$ (24)	\$ 269	\$ (8,864)	\$ (600)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	280	394	358	195
Amortization expense	-	-	7	-
Other nonoperating revenue (expense)	-	-	2,903	-
Change in assets and liabilities:				
Receivables, net	(179)	(48)	(2,947)	174
Other receivables	-	-	(859)	(5)
Inventory	-	-	(150)	-
Accounts payable	(50)	(179)	719	121
Accrued payroll liabilities	1	2	15	-
Accrued vacation	11	15	31	-
Self insurance liability	-	-	-	-
Other accrued liabilities	-	-	225	213
Total Adjustments	63	184	302	698
Net cash provided(used) by operating activities	<u>\$ 39</u>	<u>\$ 453</u>	<u>\$ (8,562)</u>	<u>\$ 98</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SAN LUIS OBISPO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

Business-type Activities - Enterprise Funds			Governmental Activities
Lopez Flood Control	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 1,063	\$ (1,714)	\$ (9,870)	\$ (5,798)
197	303	1,727	1,732
-	-	7	-
-	-	2,903	58
(1,922)	(416)	(5,338)	(274)
(698)	21	(1,541)	-
-	-	(150)	(10)
-	203	814	15
-	-	18	28
-	-	57	43
-	-	-	2,515
2,672	141	3,251	21
249	252	1,748	4,128
<u>\$ 1,312</u>	<u>\$ (1,462)</u>	<u>\$ (8,122)</u>	<u>\$ (1,670)</u>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)
Adjustments to reconcile operating income to net cash provided by operating activities:
Depreciation expense
Amortization expense
Other nonoperating revenue (expense)
Change in assets and liabilities:
Receivables, net
Other receivables
Inventory
Accounts payable
Accrued payroll liabilities
Accrued vacation
Self insurance liability
Other accrued liabilities

Net cash provided by operating activities

The notes to the financial statements are an integral part of this statement.

(Back to Index)

COUNTY OF SAN LUIS OBISPO
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY AND INVESTMENT TRUST FUNDS
JUNE 30, 2002 (in thousands)

	Agency Funds	Investment Trust Funds
<u>Assets:</u>		
Cash and cash equivalents	\$ 39,402	\$ 138,548
Total assets	<u>39,402</u>	<u>138,548</u>
<u>Liabilities:</u>		
Agency obligations	39,402	-
Total liabilities	<u>\$ 39,402</u>	<u>\$ -</u>
<u>Net assets:</u>		
Funds held in trust for pool participants	<u>\$ -</u>	<u>\$ 138,548</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SAN LUIS OBISPO
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
INVESTMENT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Investment Trust Funds
<u>Additions:</u>	
Contributions to pooled investments	\$ 791,426
Interest	4,489
Total additions	<u>795,915</u>
<u>Deductions:</u>	
Distributions from investment pool	803,686
Total deductions	<u>803,686</u>
Change in net assets	(7,771)
Net assets - beginning	<u>146,319</u>
Net assets - ending	<u><u>\$ 138,548</u></u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SAN LUIS OBISPO
STATEMENT OF FIDUCIARY NET ASSETS
SAN LUIS OBISPO COUNTY PENSION TRUST
DECEMBER 31, 2001 (in thousands)

	San Luis Obispo County Pension Trust
<u>Assets:</u>	
Cash and cash equivalents	\$ 12,604
Investments with trustee	377,052
Accrued interest & dividends receivable	2,574
Notes receivable, short term	3,048
Notes receivable	11,445
Prepaid benefits	860
Capital assets-net of accumulated depreciation	352
Total assets	<u>407,935</u>
<u>Liabilities:</u>	
Accrued liabilities	318
Prepaid contributions	9,235
Total liabilities	<u>9,553</u>
<u>Net assets:</u>	
Funds held in trust for pension benefits	<u>\$ 398,382</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SAN LUIS OBISPO
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
SAN LUIS OBISPO PENSION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001 (in thousands)

	San Luis Obispo County Pension Trust
<u>Additions:</u>	
Contributions:	
County contributions	\$ 12,698
Member contributions	9,201
Total contributions	<u>21,899</u>
Investment earnings:	
Net increase (decrease) in fair value of investments	(15,354)
Interest	14,192
Dividends	1,939
Real estate management trust income	1,514
Real estate operating income, net	884
Total investment earnings	<u>3,175</u>
Total additions	<u>25,074</u>
 <u>Deductions:</u>	
Benefits:	
Monthly Benefit payments	12,808
Termination refunds	1,148
Death Benefits	394
Total benefits	<u>14,350</u>
Administrative expenses	1,452
Amortization of prepaid County contribution	504
Total Administrative expenses	<u>1,956</u>
 Total deductions	16,306
 Change in net assets	8,768
 Net assets - beginning	<u>389,614</u>
 Net assets - ending	<u><u>\$ 398,382</u></u>

The notes to the financial statements are an integral part of this statement.



NOTES TO THE FINANCIAL STATEMENTS



COUNTY OF SAN LUIS OBISPO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2002

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Notes 1 – 7)

1. FINANCIAL REPORTING ENTITY

The County of San Luis Obispo (the County) was established by an act of the Legislature on February 18, 1850 as one of California's original 27 Counties. The County is a political subdivision of the State of California and may exercise the powers specified by the Constitution and laws of the State. The County exercises its powers through an elected five member Board of Supervisors. The County provides various services on a countywide basis including public protection, public ways and facilities, health and sanitation, public assistance, education, recreational and cultural services.

Blended Component Units

The accompanying financial statements report on the financial activities of the County and those County-related entities that meet the criteria for component units established by the Governmental Accounting Standards Board (GASB), Statement 14. These component units are so intertwined with the County that they are, in substance, the same as the County and, therefore, are blended and reported as if they were part of the County. According to GASB Statement No. 14, blended component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The blended component units' governing bodies are substantively the same as the governing body of the primary government. In addition, blended component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County, therefore, has included the following entities in its government-wide, governmental fund and proprietary fund financial statements:

San Luis Obispo County Area Transit District – The District provides Dial-A-Ride, taxi subsidies, trolley and other modes of public transportation in a specified area within the County of San Luis Obispo.

County Service Areas – County service areas have been established for the purpose of providing specific services to distinct geographical areas within the County. These services include drainage and sewer collections facilities maintenance, street lighting energy charges, centralized septic services, wastewater disposal and treatment, fire and emergency medical services in various unincorporated areas of the County.

Flood Control and Water Conservation Districts – Flood control and water conservation districts have been established for the purpose of providing specific flood and conservation services to distinct geographical areas within the County. These services include weather and hydrological data collections services, delivery, water treatment, and water distribution services, and the construction of the Lopez Dam Seismic Remediation project.

San Luis Obispo County Financing Authority - The Authority was created to assist in the financing, construction, and equipping of public facilities for one or both of the members.

San Luis Obispo County Public Facilities Corporation - The PFC is a nonprofit public benefit corporation organized to assist public agencies within the County of San Luis Obispo with the acquisition and construction of various public facilities.

Additional detailed information and/or separately issued financial statements for each of these entities can be obtained from the County of San Luis Obispo Auditor-Controller's office located at the County Government Center Room 300, San Luis Obispo, CA 93408.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

Also included in the accompanying financial statements as investment trust funds are the assets of numerous self-governed schools, special districts, regional boards and authorities for which the County Treasurer acts as custodian of those assets. The financial reporting for these governmental entities, which are independent of the County, is limited to the total amount of cash and investments and the related fiduciary responsibility of the County for disbursement of these assets. Activities of these entities are administered by separate boards and are independent of the County Board of Supervisors. The County Auditor-Controller makes disbursements upon the request of the entity's officers. The County Board of Supervisors has no effective authority to govern, manage, approve budgets, assume financial accountability, establish revenue limits, nor to appropriate surplus funds available in these entities. Seven cities and numerous self-governed special districts provide services to the residents of the County. The operations of these entities have been excluded from the basic financial statements as each entity conducts its own day-to-day operations and answers to its own governing board.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

The Government-wide financial statements consist of the statement of net assets and the statement of activities that report information about the County and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. The statements distinguish between governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or functions and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The fund financial statements report detailed information about the County's funds, including fiduciary funds and blended component units. Separate statements are provided for each fund category – Governmental, Proprietary, and Fiduciary even though the latter are excluded from the Government-wide financial statements. The emphasis of the Governmental and Proprietary Fund financial statements is on major individual funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements.

The County reports the following Major Governmental Funds:

- The General Fund is the County's primary operating fund. The General Fund is used to account for all revenues and expenditures necessary to carry out the basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education, and recreational and cultural services.
- The Capital Projects Fund is used to account for the financial resources restricted for the acquisition or construction of specific projects, or items other than those financed by proprietary funds.

The County reports the following Major Proprietary Funds:

- The Airport Fund accounts for the maintenance, operations, and development of the County owned commercial service airports in San Luis Obispo and Oceano.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

- The Golf Course Fund accounts for the operations and maintenance of the County owned golf courses located in Atascadero, Morro Bay, and San Luis Obispo.
- The Medical Services Fund accounts for the operations of the County General Hospital, which provides needed health services to all the citizens of the County.
- The State Water Contract Fund accounts for revenues, expenses and net assets relating to the countywide taxpayers' obligations associated with the State Water Project, which provides for the delivery of state water into the County.
- The Lopez Dam Flood Control Fund accounts for the maintenance, water treatment and water distribution services of the Lopez Dam Flood Control Zone 3, which provides water to south San Luis Obispo County and the activities of the Lopez Dam Seismic Remediation Project.
- Additionally, the County reports on internal service funds. Internal service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or to other governments on a cost-reimbursement basis. Internal Service Funds account for the activities of equipment maintenance services, centralized printing services, and self-insurance programs such as workers' compensation, long-term disability, employee benefits, and personal injury and property damage.

The County reports the following Fiduciary Funds:

- Pension Trust Fund accumulates contributions from the County, its employees, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability and death benefits (based on a defined benefit formula) and administrative expenses. This fund includes all assets of the San Luis Obispo County Pension Trust as of December 31, 2001.
- Investment Trust Funds accounts for the assets of legally separate entities that deposit cash with the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. The County reports on 239 different Investment Trust Funds.
- Agency Funds account for the resources held by the County in a custodial capacity on behalf of other agencies. The County reports on 80 different Agency Funds.

3. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The Government-wide, Proprietary, and Fiduciary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property, sales, and transient occupancy taxes, grants, entitlements, and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from sales and occupancy taxes are recognized when the underlying transactions take place. Revenues from grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they become both measurable and available. The County considers all revenues in governmental funds to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenues are considered to be available if they are collected within 120 days of the end of the current fiscal period. It is the County's policy to submit reimbursement and claim requests for federal and state grant revenues within 30 days of the end of the program cycle and payments are generally received within 90 days. Property taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures generally are recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claim and judgments, are recognized as expenditures

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

only to the extent that payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

In general, the effect of interfund activity has been eliminated from the Government-wide financial statements. Exceptions to this general rule are billings by the Medical Services Enterprise Fund for medical or laboratory services provided at market or near market rates. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

4. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

Governmental Accounting Standards Board Statement No. 34

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This Statement establishes financial reporting standards for state and local governments. It establishes what basic financial statements and required supplementary information (RSI) are required for general-purpose governments. The Statement was developed to make annual reports of state and local governments easier to understand and more useful to people who use governmental financial information to make decisions. This Statement affects the manner in which the County records transactions and presents financial information. Certain significant changes in the Statement include the following:

Management's Discussion and Analysis – GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). Governments are required to present MD&A before the basic financial statements. This analysis is similar to the analysis provided in the annual reports of private-sector organizations.

Government-Wide Financial Statements – The reporting model includes financial statements prepared using full accrual accounting for all of the County's activities. These statements should report all of the assets (including infrastructure), liabilities, revenues, expenses, and gains and losses of the government. Each statement should distinguish between the governmental and business-type activities of the primary government and its discretely presented component units by reporting each in separate columns. Fiduciary activities should be excluded from the Government-wide statements.

Fund Financial Statements and Major Fund Reporting – The fund financial statements consist of a series of statements that focus on information about the government's major funds. The series of separate statements include Governmental Fund financial statements (including financial data for the General Fund, Special Revenue, Capital Projects, Debt Service, and Permanent Funds) and Proprietary Fund financial statements (including financial data for enterprise and internal service funds).

These and other changes are reflected in the accompanying financial statement (including notes to financial statements). The County has adopted the provision of GASB Statement No. 34 in the current year.

Governmental Accounting Standards Board Statement No. 36

In April 2000, the GASB issued Statement No. 36, *Receipt Reporting for Certain Shared Nonexchange Revenues*. This Statement amends GASB Statement No. 33 with respect to the manner in which shared nonexchange revenues are accounted for by recipient governments. The County adopted the provisions of this Statement for its fiscal year ended June 30, 2002.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

Governmental Accounting Standards Board Statement No. 37

In June 2001, the GASB issued Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments: Omnibus*. This Statement amended GASB Statement No. 34 to either 1) clarify certain provisions or, 2) modify other provisions that GASB believes may have unintended consequences in some circumstances. The County adopted the provisions of GASB Statement 37 and considered the effects of this Statement when adopting the provisions of GASB Statement No. 34.

Governmental Accounting Standards Board Statement No. 38

In June 2001, the GASB issued Statement No. 38, *Certain Financial Statement Note Disclosures*. This Statement modifies, establishes, and rescinds certain financial statement disclosure requirements. Those requirements address revenue recognition policies, actions taken in response to legal violations, debt service requirements, variable-rate debt, receivable and payable balances, interfund transfers and balances and short-term debt. Accordingly, certain footnote disclosures have been revised to conform to the provisions of GASB Statement No. 38.

Governmental Accounting Standards Board Interpretation No. 6

In March 2000, the GASB issued Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. This interpretation clarifies the application of standards for modified accrual recognition of certain liabilities in areas where differences have arisen, or potentially could arise, in interpretation and practice. Accordingly, these and other changes are reflected in the accompanying financial statements and notes to the financial statements.

5. BUDGETARY ACCOUNTING

In accordance with the provisions of Sections 29000 through 29144 inclusive of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and legally adopts a final budget on or before August 30th for each fiscal year. The County operation, commencing July 1st, is governed by the proposed budget, adopted by the Board of Supervisors, in June of the prior year unless the final budget is adopted before June 30.

After the budget is approved, the appropriations can be added to, subtracted from, or changed only by Board resolution. All such changes must be within the revenues and reserves estimated as available in the final budget or within revised revenue estimates as approved by the Board. During the fiscal year ended June 30, 2002, the Board of Supervisors approved all necessary supplemental appropriations. Generally, the effects of the supplemental appropriations are to increase the budget for cost of living adjustments and new programs and grants financed by other governmental agencies. In addition, during the current fiscal year there were no excess expenditures over the related appropriations within governmental funds.

An operating budget is adopted each fiscal year for all Governmental Funds on the modified accrual basis. Additionally, encumbrance accounting is utilized to assure effective budgetary control. Encumbrances outstanding at year end represent the estimated amount of the expenditures ultimately to result if the unperformed contracts in process at year end are completed or purchase commitments satisfied. Such year end encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year and included in the subsequent year's budget. Unencumbered appropriations lapse at year end.

All Governmental, Enterprise, and Internal Service Funds that are under the control of the Board of Supervisors, have legally adopted annual budgets. Although the Enterprise and Internal Service Funds have adopted budgets, there is no appropriation of expenditures and these budgets only serve as spending plans for the year.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the department/budget unit and object level except for fixed assets, which are controlled at the subobject level. Object levels of expenditures are as follows: salaries and benefits, services and supplies, other charges, fixed assets, and contingencies. Subobject levels of expenditures for fixed assets are land, structures and improvements, and equipment.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

Presentation of the basic financial statements at the legal level of budgetary control is not feasible due to excessive length. Because of the large volume of detail, the budget and actual statements contained in the basic financial statements have been aggregated by function. A separate supplemental budget report, which demonstrates legal compliance with budgetary control, is included in the supplemental section of the basic financial statements for all governmental funds with a legally adopted budget.

For budgetary purposes, actual GAAP expenditures have been adjusted to include encumbrances outstanding at year end and to exclude long-term capital leases recorded as long-term obligations of the County. Encumbrance accounting is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund under the jurisdiction of the Board of Supervisors.

Reconciliation of Operations On a Budgetary Basis to Modified Accrual Basis

The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual on a Budgetary Basis and supporting budgetary schedules presents comparisons of the legally adopted budgets (original and final), with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with GAAP, a reconciliation due to differences between the Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual on a Budgetary Basis and the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance is presented (in thousands):

	General	Capital Projects	Special Revenues
Expenditures on Budgetary Basis	\$ 240,511	\$ 28,585	\$ 55,432
Less: Encumbrances for Expenditures	3,225	20,666	7,202
Expenditures on GAAP Basis	<u>\$ 237,286</u>	<u>\$ 7,919</u>	<u>\$ 48,230</u>

6. ASSETS, LIABILITIES, AND FUND EQUITY

Deposits and Investments

As required by Government Code Section 27130, a treasury oversight committee serves the County. The committee consists of a representative appointed by the Board of Supervisors, the Auditor-Controller, Superintendent of Schools, a representative from the County's school districts and community college, and one member from the public at large. The committee meets quarterly and is subject to the California open meeting statutes.

Cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held by the County Treasurer are stated at fair value at June 30, 2002. The fair value of pooled investments is determined annually and is based on current market prices.

The County pool is not registered with the Securities and Exchange Commission as an investment company and does not issue separate investment reports. The County has not provided or obtained any legally binding guarantees to support the value of the shares. Participants may withdraw up to the amortized cost of their respective shares as displayed on the combined balance sheet. The share of the Treasurer's pool related to involuntary participants is 97.7 percent.

Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All short-term cash surpluses are maintained in the County Treasury cash and investments pool, the earnings from which are allocated quarterly to each fund based on average daily cash balances.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Medical Services accounts receivable are shown net of two types of allowances for uncollectible amounts. The "allowance for doubtful accounts" is set up based on historical collections for receivables not covered by any type of insurance. The "allowance for contract allowances" represents the difference between what is billed and what will be paid under a contractual arrangement with insurance agencies. No uncollectible allowance is recorded for enterprise special district receivables, which are primarily for water service billings. These receivables are written off in the year they become uncollectible.

Property Tax

The County is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County, including school, cities, and special districts. Property taxes, for which the lien date is January 1, are payable in two equal installments, November 1 and February 1, and become delinquent on December 10 and April 10, respectively. Property taxes receivable are recognized when levied. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent on August 31. The County is permitted by Article XIII-A of the State of California Constitution (known as Proposition 13) to levy a maximum tax of \$1.00 per \$100.00 of full cash value. The bills are payable in equal installments, November 1st and February 1st and become delinquent on December 10th and April 10th, respectively. Property taxes are accounted for in the Unapportioned Property Tax and Interest Fund, an Agency Fund, until apportionment and disbursement to the taxing jurisdictions. Property tax receivables are recognized when levied.

Beginning in 1993-1994, the County of San Luis Obispo adopted the "Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds" provided for in Revenue and Taxation Code Sections 4701-4717, which is commonly known as the "Teeter Plan". The Teeter Plan has no impact on tax rates or collection procedures. It merely changes the way the collections of delinquent taxes and penalties are distributed among the taxing agencies. Those agencies participating in the Teeter Plan receive 100% of the secured property taxes billed each year without regard to delinquencies. The General Fund covers the delinquent amount to all agencies and, in return, receives the delinquent taxes, penalties and interest when collected. As a result of the Teeter Plan, secured property taxes receivable are recorded in the General Fund only, and there is no allowance for uncollectible amounts. Penalties and interest are deposited into the Tax Loss Reserve Fund. Once the Tax Loss Reserve Fund balance exceeds 25% of the secured delinquent roll, the excess can be credited to the General Fund. The County General Fund internally financed the delinquent payment to all Teeter Plan participants by borrowing \$1,500,000 from the County Treasury (as provided in Revenue and Taxation Code Section 4705). The principal and interest (2.4%) on the borrowing will be repaid June 13, 2003.

The Teeter Plan was amended beginning fiscal year 2001/2002 by removing unitary tax payments (including PG&E), so that all agencies in the County will share in any delinquency that may occur.

Unsecured property is not part of the Teeter Plan. Unsecured property taxes receivable are accrued to taxing agencies, net of the uncollectible amount which is estimated based on prior year collections.

Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Inventories and Prepaid Items

Inventories held by the Public Works, Reprographics and the Garage Internal Service Funds, and the Medical Services Enterprise Fund are carried at cost (first-in, first-out). The Internal Service Funds inventories, and

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

the Medical Services warehouse inventory are controlled by perpetual inventory systems, and are adjusted as appropriate to reflect year-end physical inventory counts. Governmental funds record inventory as expenditures when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the Government-wide and Fund financial statements.

Capital Assets

Capital assets, which include land, structures and improvements, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the Government-wide financial statements. Capital assets are defined as assets with an initial individual cost greater than the capitalization threshold for the specified type of asset and an estimated useful life beyond a single fiscal period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. General infrastructure assets acquired prior to July 1, 1980, are reported at estimated historical cost using deflated replacement costs.

Normal maintenance and repairs are not capitalized, but are charged to operations when incurred. Betterments or major improvements, which significantly increase values, change capacities, or extend useful lives, are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Capital outlays are recorded as expenditures in the General, Special Revenue, and Capital Projects Funds and as capital assets in the Government-wide financial statements to the extent the County's capitalization thresholds are met. Interest incurred, during construction phase, on financing capital assets of business-type activities is reflected in the capitalized value of the asset constructed net of interest earned on the invested proceeds over the same period. Amortization of assets acquired under capital leases is included in depreciation and amortization. Facilities and improvements, infrastructure, and machinery and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the estimated useful lives.

The capitalization thresholds and estimated useful lives of specific asset types are as follows:

<u>Asset Type</u>	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Land	No threshold	
Infrastructure	\$100,000	20 to 100 years
Structures & Improvements	\$25,000	15 to 50 years
Equipment	\$5,000	2 to 15 years
Capital Lease	By asset type	Lease term or useful life

Compensated Absences

The County's policy is to permit employees to accumulate earned but unused vacation and sick leave benefits. Each year-end, a liability is accrued for the balance of unpaid compensatory time off, sick leave, and vacation earned.

Accumulated benefits will be liquidated in future years as employees elect to use them. In the normal course of business, all payments of these accumulated benefits will be funded from appropriations in the year in which they are to be paid; therefore the total liability is recorded as long-term. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

In the Government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

7. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

DETAIL NOTES ON ALL FUNDS (Notes 8 – 24)

8. CASH AND CASH EQUIVALENTS

Cash in Treasury

The County's investment policy is governed by the California Government Codes. Under the parameters established by the California Government Code, the County may purchase: obligations issued by the United States Treasury; obligations, participations, or other instruments of or issued by a federal agency or a United States government sponsored enterprise; obligations of state and local agencies of this state; bankers acceptances; commercial paper; negotiable certificates of deposit; repurchase agreements; medium-term corporate notes; as well as other investments established by the California Government Code.

The County maintains a combined pool with cash and investments which provide cash flow for the funding needs of the County and local agencies required by law to keep funds in the Treasury.

The combined pool's investments are valued using the amortized cost method (which approximates fair value) and includes accrued interest. This pool, which is available to all funds, has deposits and investments with a weighted-average maturity of less than one year. Interest is apportioned to the separate funds based on the individual fund's average daily balance.

Deposits: At year end the carrying amount of the County's Treasury deposits was \$4,971,000. Of this amount \$4,917,000 was maintained in financial institutions and \$54,000 was held in the Treasury. Of the balance in financial institutions \$200,000 was covered by federal depository insurance and \$4,717,000 was covered by collateral having a market value of at least 10% in excess of the total amount on deposit as governed by the Administrator of Local Agency Security of the State of California. The County's deposits are considered to be in risk categories 1 and 2, during the fiscal year.

In accordance with the Governmental Accounting Standards Board Statement 3, the County's deposits are categorized in the following manner (in thousands):

	Carrying Amount	Bank Balance
Category 1 – Insured or collateralized with securities held by the County or by its agent in the County's name	\$ 200	\$ 200
Category 2 – Collateralized with securities held by the pledging of financial institution's trust department or agent in the County's name	4,717	4,717
Total	<u>\$ 4,917</u>	<u>\$ 4,917</u>

Investments: Securities held in a customer-segregated safekeeping account during the fiscal year. Repurchase agreements were collateralized 102% with government and agency securities in accordance with multi-party agreements on file with the Treasurer. Safekeeping statements were requested from the appropriate institutions and verified against records maintained in the Treasury.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

GASB 31 requires governmental external investment pools to report certain investments at fair value in the financial statements and report the change in the fair value of investments in the year in which the change occurred. In compliance with these requirements, the fair value of the County's combined pool is determined annually and is based on current market prices received from the securities custodian, broker bids, and LAIF, except for instruments which are carried at amortized cost plus accrued interest. The fair value of the participants' position in the pool is the same as the value of the pool shares. The County Treasury has provided a dollar factor in the Quarterly Report of Investments, which can be used for financial reporting by the pool participants.

The County's combined pool has invested in the State Local Agency Investment Fund (LAIF). The fair value of the investments in LAIF is the same value of the pool shares. Market valuation is conducted quarterly, the factor of which is provided by LAIF are authorized under Government Code Section 16430 and 16480.4, in line with the goals of safety, liquidity and yield. As of June 30, 2002, the LAIF pool includes structured notes and asset-backed securities, which total 4.5% of the total portfolio. LAIF has oversight by the Local Investment Advisory Board (LIAB), which consists of five members as designated by statute. The Chairman of the LIAB is the State Treasurer or his designated representative.

The County's investments are detailed below. In order to standardize the reporting of risk categories as they pertain to the investment of public funds, as outlined by GASB 3, each type of investment is classified into one of three categories. Category 1 pertains to securities insured or registered, or securities held by the County or its agents in the County's name. Category 2 refers to uninsured and unregistered securities held by the counter party's trust department or agent in the County's name. Category 3 includes uninsured and unregistered securities held by the counterparty, or its trust department or agent but not in the County's name. All the County's investments during the fiscal year were in Category 1. The County's investments by category as of June 30, 2002, are as follows (in thousands):

Instrument	Maturity Dates	Coupon Rate %	Category 1	Carrying Amount	Fair Value	Par Value
<u>Amounts Invested in pooled treasury fund</u>						
U.S. Government & Federal Agencies						
	7/02/02-6/15/04	2.651-7.25	\$ 379,934	\$ 379,934	\$ 380,311	\$ 377,749
Banker's Acceptances	7/24/02	1.80	4,994	4,994	4,995	5,000
Repurchase Agreements	7/1/02	1.740	13,151	13,151	13,151	13,149
			\$ 398,079	398,079	398,457	395,898
Investment in Local Agency fund				30,253	30,336	30,000
Teeter Note	6/13/03	2.400		1,502	1,502	1,537
Total Investments in County Treasury				429,834	430,295	427,435
<u>Amounts Not Required to be Categorized</u>						
Treasury Cash in Hand and in Banks				4,971	4,971	4,971
Deposits in Transit				553	553	553
Outstanding Warrants				(21,914)	(21,914)	(21,914)
Total Cash in Treasury				413,444	413,905	411,045
Other Cash Deposits				2,031	2,031	2,031
Total cash and cash equivalents in Treasurer's investments pool				\$ 415,475	\$ 415,936	\$ 413,076
<u>Restricted Cash with Fiscal Agent:</u>						
U.S. Government & Federal Agencies			\$ 1,344	\$ 1,344	\$ 1,336	\$ 1,334
Investment in Local Agency Fund			15,154	15,154	15,154	15,154
Guaranteed Investment Contract			1,986	1,986	1,986	1,986
Total Restricted Cash with Fiscal Agent			\$ 18,484	\$ 18,484	\$ 18,476	\$ 18,474

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2002 (in thousands):

	Carrying Amount	Fair Value
<u>Statement of Net Assets:</u>		
Net assets held for pool participants	\$ 415,475	\$ 415,475
Equity of internal pool participants	\$ 276,927	\$ 276,927
Equity of external pool participants (voluntary and involuntary)	138,548	138,548
Total Equity	\$ 415,475	\$ 415,475
<u>Statement of Changes in Net Assets:</u>		
Revenue	\$ 16,596	\$ 16,596
Investment Costs	(699)	(699)
Net Deposits	(28,466)	(28,466)
Change in fair value		(2,349)
Net change in pool	(12,569)	(14,918)
Net Assets at July 1, 2001	428,044	430,854
Net Assets at June 30, 2002	\$ 415,475	\$ 415,936

Restricted Cash with Fiscal Agent

Cash and investments at June 30, 2002 that are restricted by legal or contractual requirements are comprised of the following (in thousands):

<u>Golf Enterprise Fund</u>	
Debt (lease) reserve	\$ 1,008
<u>Lopez Dam Enterprise Fund</u>	
Construction funds for the Lopez Dam seismic retrofit project	1,052
Debt (lease) reserve	15,154
<u>Various Governmental Funds</u>	
Required lease reserves for long term debt	1,270
Total Restricted Cash	\$ 18,484

Other Cash Deposits

Year-end, the carrying amount of the County's other cash deposits was \$2,031,000 and the combined financial institutions' balance was \$2,073,000. The difference of \$42,000 between the County's deposit balance and the financial institutions' balance results from transactions in transit, and outstanding warrants and bond coupons. The entire bank balance of \$2,073,000 was covered by federal depository insurance or by collateral held by County's agent in the County's name.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

9. RECEIVABLES

Receivables at year end of the County's major individual funds and nonmajor and Internal Service Funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows (in thousands):

	<u>Governmental Activities</u>			<u>Business-type Activities</u>			
	General Fund	Non major Gov't Funds	Medical Services	State Water Project	Lopez Flood Control	Nonmajor Enterprise funds	Internal Service Funds
Accounts Receivable	\$ 22	\$ 10	\$	\$ 242	\$ 33	\$ 1,671	\$ 3
Patient Accounts Receivable			13,707				
Allow. for Doubtful Accounts			(5,419)			(1,506)	
Allow. for Contractuals			(5,767)				
Net Account Receivable	<u>\$ 22</u>	<u>\$ 10</u>	<u>\$ 2,521</u>	<u>\$ 242</u>	<u>\$ 33</u>	<u>\$ 165</u>	<u>\$ 3</u>

10. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2002, is as follows (in thousands):

	Balance July 1, 2001 (as restated)	Increases	Decreases	Balance June 30, 2002
<u>Governmental Activities</u>				
Capital assets not depreciated:				
Land	\$ 11,954	\$ 887	\$ 16	\$ 12,825
Construction in Progress	6,048	7,917	5,200	8,765
Infrastructure	<u>757,696</u>			<u>757,696</u>
Total capital assets not depreciated	<u>775,698</u>	<u>8,804</u>	<u>5,216</u>	<u>779,286</u>
Capital assets depreciated:				
Structures and improvements	75,647	5,100		80,747
Equipment	39,141	5,327	5,812	38,656
Infrastructures	<u>197,018</u>	<u>3,602</u>	<u>6,271</u>	<u>194,349</u>
Total capital assets depreciated	<u>311,806</u>	<u>14,029</u>	<u>12,083</u>	<u>313,752</u>
Less accumulated depreciation:				
Structures and improvements	26,833	2,087		28,920
Equipment	21,813	3,477	5,563	19,727
Infrastructures	<u>86,670</u>	<u>8,344</u>	<u>6,271</u>	<u>88,743</u>
Total accumulated depreciation	<u>135,316</u>	<u>13,908</u>	<u>11,834</u>	<u>137,390</u>
Total capital assets depreciated, net	<u>176,490</u>	<u>121</u>	<u>249</u>	<u>176,362</u>
Government activities capital assets, net	<u>\$ 952,188</u>	<u>\$ 8,925</u>	<u>\$ 5,465</u>	<u>\$ 955,648</u>
<u>Business Activities Airport:</u>				
Capital assets not depreciated:				
Land	\$ 11,286	\$ 392	\$	\$ 11,678
Construction in Progress	<u>5,350</u>	<u>244</u>	<u>5,350</u>	<u>244</u>
Total capital assets not depreciated	<u>16,636</u>	<u>636</u>	<u>5,350</u>	<u>11,922</u>

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

Continuation of Business Activities Airport:

	Balance July 1, 2001 (as restated)	Increases	Decreases	Balance June 30, 2002
Capital assets depreciated:				
Structures and improvements	\$ 10,331	\$ 10,755	\$	\$ 21,086
Equipment	119			119
Total capital assets depreciated	10,450	10,755		21,205
Less accumulated depreciation:				
Structures and improvements	2,857	273		3,130
Equipment	84	8		92
Total accumulated depreciation	2,941	281		3,222
Total capital assets depreciated, net	7,509	10,474		17,983
Airport activities capital assets, net	\$ 24,145	\$ 11,110	\$ 5,350	\$ 29,905

Business Activities Golf

Capital assets not depreciated:				
Land	\$ 1,333	\$	\$	\$ 1,333
Total capital assets not depreciated	1,333			1,333
Capital assets depreciated:				
Facilities and improvements	15,942			15,942
Machinery and equipment	564	66	82	548
Total capital assets depreciated	16,506	66	82	16,490
Less accumulated depreciation:				
Facilities and improvements	2,394	355		2,749
Machinery and equipment	361	38	67	332
Total accumulated depreciation	2,755	393	67	3,081
Total capital assets depreciated, net	13,751	(327)	15	13,409
Golf activities capital assets, net	\$ 15,084	\$ (327)	\$ 15	\$ 14,742

Business Activities Medical Services

Capital assets not depreciated:				
Land	\$ 267	\$	\$	\$ 267
Total capital assets not depreciated	267			267
Capital assets depreciated:				
Structures and improvements	6,442			6,442
Equipment	4,371	7	12	4,366
Total capital assets depreciated	10,813	7	12	10,808
Less accumulated depreciation:				
Structures and improvements	4,942	190		5,132
Equipment	3,430	163		3,593
Total accumulated depreciation	8,372	353		8,725

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

Continuation of Business Activities Medical Services:

	Balance July 1, 2001 (as restated)	Increases	Decreases	Balance June 30, 2002
Total capital assets depreciated, net	2,441	(346)	12	2,083
Medical Services capital assets, net	<u>\$ 2,708</u>	<u>\$ (346)</u>	<u>\$ 12</u>	<u>\$ 2,350</u>

Business Activities State Water Project

Capital assets not depreciated:

Water rights	\$ 27,719	\$ 851	\$	\$ 28,570
Construction in Progress	153			153
Total capital assets not depreciated	<u>27,872</u>	<u>851</u>		<u>28,723</u>

Capital assets depreciated:

Structures and improvements	9,678			9,678
Equipment	32			32
Total capital assets depreciated	<u>9,710</u>			<u>9,710</u>

Less accumulated depreciation:

Structures and improvements	383	192		575
Equipment	7	3		10
Total accumulated depreciation	<u>390</u>	<u>195</u>		<u>585</u>

Total capital assets depreciated, net	<u>9,320</u>	<u>(195)</u>		<u>9,125</u>
State Water capital assets, net	<u>\$ 37,192</u>	<u>\$ 656</u>	<u>\$</u>	<u>\$ 37,848</u>

Business Activities Lopez Flood Control

Capital assets not depreciated:

Land	\$ 2,096	\$	\$	\$ 2,096
Construction in Progress	4,023	10,168		14,191
Water rights	1,937		11	1,926
Total capital assets not depreciated	<u>8,056</u>	<u>10,168</u>	<u>11</u>	<u>18,213</u>

Capital assets depreciated:

Structures and improvements	13,683			13,683
Equipment	120	35		155
Total capital assets depreciated	<u>13,803</u>	<u>35</u>		<u>13,838</u>

Less accumulated depreciation:

Structures and improvements	4,976	191		5,167
Equipment	116	7		123
Total accumulated depreciation	<u>5,092</u>	<u>198</u>		<u>5,290</u>

Total capital assets depreciated, net	<u>8,711</u>	<u>(163)</u>		<u>8,548</u>
Lopez Flood Control capital assets, net	<u>\$ 16,767</u>	<u>\$ 10,005</u>	<u>\$ 11</u>	<u>\$ 26,761</u>

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

<u>Other Business Activities</u>	Balance July 1, 2001 (as restated)	Increases	Decreases	Balance June 30, 2002
Capital assets not depreciated:				
Land	\$ 216	\$	\$	\$ 216
Construction in Progress	8,270	1,067	3,018	6,319
Total capital assets not depreciated	8,486	1,067	3,018	6,535
Capital assets depreciated:				
Structures and improvements	6,612	6,654		13,266
Equipment	463	207		670
Total capital assets depreciated	7,075	6,861		13,936
Less accumulated depreciation:				
Structures and improvements	3,090	3,637		6,727
Equipment	321	175		496
Total accumulated depreciation	3,411	3,812		7,223
Total capital assets depreciated, net	3,664	3,049		6,713
Other Business funds capital assets, net	\$ 12,150	\$ 4,116	\$ 3,018	\$ 13,248
<u>Total Business-type Activities:</u>				
Nondepreciable capital assets	\$ 62,650	\$ 12,722	\$ 8,379	\$ 66,993
Depreciable capital assets, net	45,396	12,492	27	57,861
Total Business-type capital assets, net	\$ 108,046	\$ 25,214	\$ 8,406	\$ 124,854

At July 1, 2001, the County made the following restatements to capital assets (in thousands):

Governmental activities capital assets as reported in the	
General fixed assets account group – June 30, 2001	\$ 112,557
Record infrastructure assets, net of accumulated depreciation of \$86,670,000	868,044
Record Internal Service funds assets	9,950
Record accumulated depreciation of structures, improvements and equipment	(38,363)
Governmental activities capital assets as restated – July 1, 2001	<u>\$ 952,188</u>
Business-type activities capital assets, net as reported in the	\$ 109,070
Enterprise funds – June 30, 2001	
Separate presentation of Loan Issue Costs as other deferred charges	(1,024)
Business-Type activities capital assets as restated – July 1, 2001	<u>\$ 108,046</u>

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

Depreciation expense

Depreciation expense was charged to functions as follows (in thousands):

Governmental Activities

General Government	\$	1,522
Public Protection		1,360
Public Ways and Facilities		8,370
Health and Sanitation		79
Public Assistance		392
Education		144
Recreational and Cultural Services		208
Capital assets held by the County's internal service funds charged to various departments on a prorated basis on their use of assets		1,833
Total Depreciation Expense-Governmental Activities	\$	13,908

11. CONSTRUCTION IN PROGRESS AND RELATED COMMITMENT

Construction In Progress accounts reflect the amount within governmental and business-type funds for construction projects, which are not yet complete. The following is a schedule of major projects included in Construction in Progress as of June 30, 2002 (in thousands):

Governmental Activities

Project	Expended to June 30, 2002	Committed Funds
SLO New General Government Facility	\$ 4,366	\$ 35,286
Courthouse Cogeneration System	233	3,137
Expand Courts/Sheriff Holding Cells	46	1,574
Total CIP	\$ 4,645	\$ 39,997

Business-Type Activities

Project	Expended to June 30, 2002	Committed Funds
Lopez Dam Seismic Remediation	\$ 13,693	\$ 16,307
Nacimiento Water Project	3,954	261
Total CIP	\$ 17,647	\$ 16,568

12. LEASES

County as Lessor

The County's General Fund and Enterprise Funds receive revenue from recreational, retail, and commercial properties leased to others under agreements classified as operating leases in accordance with Financial Accounting Standards Board (FASB) Statement 13. The leases cover periods ranging generally from 1 to 50 years. Minimum future rentals to be received under these non-cancelable operating leases at June 30, 2002, are as follows (in thousands):

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

Year Ending June 30 th	General Fund	Airport
2003	\$ 158	\$ 221
2004	158	166
2005	137	155
2006	133	152
2007	133	134
Later Years	2,281	1,150
Total	\$ 3,000	\$ 1,978

Minimum future rentals do not include contingent rentals, which are received as stipulated in the lease contracts. These contingent rental payments are based on the monthly revenues of the concessionaire operating on the premises. Contingent rentals amounted to \$657,000 for the fiscal year ended June 30, 2002.

County as Lessee

Operating Leases: The County has commitments under long-term real property operating lease agreements for facilities used in operations. These leases do not meet any of the four criteria for capitalization set by FASB 13. The County is the lessee under operating leases for real property used to house certain County functions.

In addition to real property leases, the County has also entered into operating leases for equipment, of which most are data processing and office equipment leases. Management expects that in the normal course of business, leases that expire will be renewed or replaced by other leases. Commitments under the operating lease agreements for equipment, as described above, are not material.

Rental payments for fiscal year ended June 30, 2002 totaled \$3,011,000. The following rental costs represent future minimum payments under leases that have remaining non-cancelable terms in excess of one year as of June 30, 2002 for the next five years and for each five-year period thereafter (in thousands):

Year Ending June 30 th	Minimum Lease Payments
2002-2003	\$ 2,215
2003-2004	1,767
2004-2005	1,126
2005-2006	763
2006-2007	506
2007-2012	2,038
2012-2017	1,215
2017-2021	666
Total	\$ 10,296

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

13. RISK MANAGEMENT

The County has self-insurance programs for liability, workers' compensation, unemployment insurance, and dental coverage. Insurance coverage for liability and workers' compensation above the County's self-insured retention (SIR) is provided through the California State Association of Counties (CSAC) Excess Insurance Authority. The County is a member of CSAC Excess Insurance Authority, a joint powers authority whose purpose is to develop and fund programs of excess insurance for its member counties. The joint powers agreement provides for additional assessments to members if the pool was to become under funded. The authority is solvent and does not foresee additional assessment. Self-insurance and authority limits are as follows:

<u>Type of Coverage</u>	<u>Self-Insurance</u>	<u>Authority</u>
Liability	\$ 250,000 per occurrence	\$ 30,000,000
Workers' Compensation	\$ 250,000 per occurrence	Statutory limits
Unemployment	\$ 1,576,835 maximum	-----
Dental	None – Funded by Employees	-----

Annual actuarial valuations are obtained for the Workers' Compensation and the General Liability Funds. These valuations provide the basis for premiums charged to insured departments. The County's SIR amounts are paid directly, without the use of purchased annuity contracts. Financial information on CSAC Excess Insurance Authority is available on request from the Office of Risk Management, County of San Luis Obispo.

Each of the self-insured funds is funded to an actuarially sound level as of June 30, 2002, to meet future claims for existing losses, including those incurred but not reported (IBNR). For the Protected Self-Insurance fund, estimated claims liability has been recorded at a 90% confidence level, without discounting for anticipating investment income. Liabilities for the Workers' Compensation fund are recorded at a discounted 90% confidence level. Cash on hand for the Workers' Compensation fund is sufficient to cover these liabilities. The non-discounted liability for the Workers' Compensation fund is \$17,464,000 at the 90% confidence level.

Changes in the balances of claims liabilities for fiscal years 2000/2001 and 2001/2002 were as follows (in thousands):

	<u>Beginning of the fiscal year liability</u>	<u>Current year claims, changes & estimates</u>	<u>Claim payments</u>	<u>Balance at Fiscal year end</u>
2000-01	\$ 17,921	\$ 5,467	\$ 4,748	\$ 18,640
2001-02	18,640	9,367	6,852	21,155

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

14. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances at June 30, 2002 were (in thousands):

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Medical Services	\$ 225
	Nonmajor Governmental Funds	43
		<u>268</u>
Nonmajor Governmental Funds	Nonmajor Governmental Funds	37
	Airport	2
	General Fund	1
	Internal Service Funds	2
	Nonmajor Enterprise	1
		<u>43</u>
Nonmajor Enterprise Funds	Internal Service Funds	7
	Nonmajor Enterprise Funds	225
		<u>232</u>
State Water Contract	Internal Service Funds	<u>5</u>
Internal Service Funds	Lopez Flood Control	236
	State Water Contract	32
	Nonmajor Governmental Funds	707
	Nonmajor Enterprise Funds	243
		<u>1,218</u>
	Total	<u>\$ 1,766</u>

The majority of the \$707,000 payable to the Internal Service Funds from the Nonmajor Governmental Funds is from the Roads Fund. The Public Works Internal Service Fund provides services to various County funds and special districts, with the Roads Fund being the largest. At year end, the Roads Fund owed the Internal Service Fund \$657,000 for expenses incurred by June 30, 2002 that was paid in the following month by the Roads Fund.

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Enterprise Funds	\$ 256
	Nonmajor Governmental Funds	622
	Airport	2,688
	Golf	73
		<u>3,639</u>
Nonmajor Governmental Funds	Golf	<u>154</u>
	Total	<u>\$ 3,793</u>

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

The Airport owes the General Fund \$2,688,000 for assets transferred to the Airport Enterprise Fund paid by the General Fund. This liability is payable in annual installments of \$93,000 and will mature in fiscal year 2030/2031.

All remaining interfund balances are due to the time lag between when the expenses are incurred by the operating fund and when the actual cash is transferred to the servicing fund.

15. TRANSFERS

A reconciliation of transfers is detailed below (in thousands):

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Medical Services	\$ 7,570
	Capital Projects	164
	Nonmajor Governmental Funds	14,029
		<u>21,763</u>
Nonmajor Governmental Funds	Capital Projects	4,173
	Nonmajor Governmental Funds	3,024
	General Fund	507
	Nonmajor Enterprise	1,026
		<u>8,730</u>
Golf	Nonmajor Governmental Funds	<u>33</u>
Nonmajor Enterprise Funds	Lopez Flood Control	7
	General Fund	40
		<u>47</u>
Total Transfers		<u>\$ 30,573</u>

The General Fund transferred \$7,570,000 to Medical Services as a subsidy to the Hospital operations. It also transferred \$164,000 to the Capital Projects Fund to finance projects that have no other funding source.

The Capital Projects Fund received \$4,173,000 from nonmajor governmental funds of which \$4,009,000 was from the Public Facilities Fees Special Revenue Fund. The latter fund's sole function is the collection of fees from developments to support the construction of new facilities to meet the increased demand for services that result from new developments.

The General Fund received \$507,000 from Special Revenue Funds that was spent in the General Fund for specific purposes related to that fund. Of this, a transfer of \$424,000 from the Automation Replacement Fund was to reimburse the General Fund for the purchase of computers.

The General Fund received \$40,000 from Enterprise Funds representing return of prior years' advances.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

16. BONDED INDEBTEDNESS AND LONG TERM DEBT

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2002, (in thousands) is as follows:

	Beginning Balance July 1, 2001	Additions	Reductions	Ending Balance June 30, 2002	Due within one year
<u>Governmental Activities</u>					
Bonds and notes payable:					
Certificates of participation	\$ 10,976	\$	\$ 4,490	\$ 6,486	\$ 575
Other liabilities:					
Compensated absences	13,797	1,389		15,186	10,709
Landfill post-closure costs	3,399		176	3,223	217
Net pension obligation	2,627	3,443		6,070	
Self insurance	18,640	2,515		21,155	5,290
Total other liabilities	38,463	7,347	176	45,634	16,216
Total Governmental Activities	\$ 49,439	\$ 7,347	\$ 4,666	\$ 52,120	\$ 16,791
<u>Business-Type Activities</u>					
Bonds and notes payable:					
Certificates of participation	\$ 24,224	\$	\$ 235	\$ 23,989	\$ 510
State notes	3,228		111	3,117	114
Revenue bonds	1,778		794	984	279
General obligation bonds	13,200			13,200	220
Total bonds and notes payable	42,430		1,140	41,290	1,123
Other liabilities:					
Compensated absences	855	57		912	842
Capital leases	2		2		
Total other liabilities	857	57	2	912	842
Total Business-Type Activities	\$ 43,287	\$ 57	\$ 1,142	\$ 42,202	\$ 1,965

Internal service funds predominantly serve the governmental funds. Accordingly, their long-term liabilities are included as part of the above totals for governmental activities. At year end, \$1,282,000 of internal service funds' compensated absences and \$21,155,000 self-insurance liability is included in the above amounts.

The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund. In the past, approximately 86% has been paid by the General Fund.

The General Fund pays for landfill post-closure costs. Net pension obligation and workers' compensation and unemployment self insurance are shared by funds in relationship to their salary costs, the majority of which belongs to the General Fund. In the past, approximately 60% of liability self insurance has been paid for by the General Fund and 30% by the Public Works Internal Service Fund.

Description of Certificates of Participation

The County has issued certificates of participation (COP) for both governmental and business-type activities. COP are issued to finance the acquisition or construction of major capital facilities and to advance-refund previously issued debt. COP principal outstanding at June 30, 2002 (in thousands) is as follows:

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

	Purpose	Interest Rates	Amount
<u>Governmental Activities</u>	Refunding	4-6%	\$ 6,486
<u>Business-type Activities</u>	Refunding	4-6%	99
	Dairy Creek Golf Course	4.3-5.6%	8,185
	Lopez Dam Remediation	4.0-5.375%	15,705
			<u>\$ 30,475</u>

Annual COP lease payment requirements to maturity are as follows (in thousands):

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
<u>Fiscal year ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2003	\$ 575	\$ 357	\$ 510	\$ 1,232
2004	604	325	546	1,209
2005	639	291	586	1,185
2006	673	255	622	1,157
2007	707	216	663	1,128
2008-2012	3,288	408	4,342	5,086
2013-2017			6,390	3,659
2018-2022			2,840	2,404
2023-2027			3,710	1,536
2028-2032			3,780	420
Total	<u>\$ 6,486</u>	<u>\$ 1,852</u>	<u>\$ 23,989</u>	<u>\$ 19,016</u>

Description of State Notes

In prior years the County borrowed a total of \$3,524,000 from the State of California Department of Water Resources Safedrinkng Water Loan program to finance the construction of water systems in unincorporated communities. State loans are repaid with water service revenue generated by the constructed assets. State loan principal outstanding at June 30, 2002 is \$3,117,000 with interest rate from 3.0315 to 3.41%.

Annual debt service requirements to maturity for State loans are as follows (in thousands):

	<u>Business-type Activities</u>	
<u>Fiscal year ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2003	\$ 114	\$ 95
2004	117	92
2005	121	88
2006	125	84
2007	129	81
2008-2012	707	339
2013-2017	824	221
2018-2022	810	93
2023-2026	170	4
Total	<u>\$ 3,117</u>	<u>\$ 1,097</u>

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

Description of Revenue and General Obligation Bonds

The County also issues bonds to construct and improve water and sewer systems in unincorporated areas. Revenue bonds are repaid with water and sewer service revenue generated by the constructed assets. General obligation bonds are repaid from applicable property taxes. Bond principal outstanding at June 30, 2002 is as follows (in thousands):

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
<u>Business-type activities</u>		
Water Project	5%	\$ 79
Lopez Dam Construction	4.25-6%	905
Lopez Dam Remediation	4.0-5.375%	13,200
		<u>\$ 14,184</u>

Annual debt service requirements to maturity for bonds are as follows (in thousands):

<u>Fiscal Year ending June 30</u>	<u>Business Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2003	\$ 499	\$ 705
2004	864	673
2005	245	647
2006	255	637
2007	265	626
2008-2012	1,498	2,948
2013-2017	1,883	2,558
2018-2022	2,385	2,019
2023-2027	3,115	1,290
2028-2032	3,175	353
Total	<u>\$ 14,184</u>	<u>\$ 12,456</u>

Description of Special Assessment Bonds

Special assessment debt has been issued to provide funds for the construction of streets. These bonds will be repaid from amounts levied against the property owners benefited by this construction.

The County acts in an agent capacity for the assessment districts. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the County must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received. Special assessment principal outstanding at June 30, 2002 totals \$4,035,000 with interest rates from 3.5% to 6.1%.

Accrued Vacation and Sick Leave Pay and Compensatory Time Off

County employees have accumulated unpaid vested benefits for compensatory time off, sick leave and vacation earned of \$16,098,000, at June 30, 2002. The accumulated benefits will be liquidated in future years as employees elect to use them. In the normal course of business, all payments of these accumulated benefits will be funded from appropriations in the year in which they are to be paid.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

Public Facilities Corporation

The San Luis Obispo County Public Facilities Corporation (PFC) was incorporated on 9/7/1994. The PFC is a nonprofit public benefit corporation organized to assist public agencies within the County of San Luis Obispo with the acquisition and construction of various public facilities.

On 10/1/1994 the PFC issued \$9,970,000 in certificates of participation (COP) (1994 series A). The proceeds of the 1994 COP issue were used to fully advance refund 1988 and 1989 COP issues. Debt service is derived from semi-annual lease payments made by various County departments and agencies for use of the facilities that were purchased and constructed with the original 1988 and 1989 issues. The principal balance outstanding at June 30, 2002 totals \$6,585,000 (\$6,486,000 governmental and \$99,000 business-type).

On 10/15/1995 the PFC issued \$10,195,000 in COP (1995 series A), to fund construction of the Dairy Creek Golf Course. Debt service is provided by semi-annual lease payments from the golf course. The principal balance outstanding at June 30, 2002 is \$8,185,000 (100% business-type).

See the long-term liabilities note for a detailed schedule of the annual debt service requirements to maturity for PFC issued debt.

Financing Authority

The San Luis Obispo County Financing Authority was formed on 8/22/2000 as a joint exercise of powers authority between the County and the Flood Control District, which administers Lopez Dam. The Authority was created to assist in the financing, construction, and equipping of public facilities for one or both of the members.

On 10/26/2000 the Authority issued \$28,905,000 in revenue bonds (2000 series A) to finance the Lopez Dam seismic remediation project. The Flood Control District borrowed \$28,905,000 from the Authority by issuing COP of \$15,705,000 and government obligation (GO) bonds of \$13,200,000. Debt service is provided by semi-annual lease payments made by the Flood Control District to the Authority for use of the retrofitted facilities. The principal revenue bond balance outstanding at June 30, 2002 totals \$28,905,000 (100% business-type).

See the long-term liabilities notes for a detailed schedule of the annual debt service requirements to maturity for Financing Authority issued debt.

Description of Long-Term Lease Arrangements

The County formed the Public Facilities Corporation and the Financing Authority for the purpose of issuing debt. On behalf of the County, these two entities issued all currently outstanding certificates of participation and the Lopez Dam remediation general obligation bond. Therefore, the County makes semi-annual lease payments in lieu of debt service to these entities from a variety of sources including State and Federal revenues, penalty assessments, golf course fees, water contract payments, and property taxes. For lease payment details, see schedules under specific type of debt above.

17. NET ASSETS/FUND BALANCES

The government-wide and business-type activities fund financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

Investment in Capital Assets, Net of Related Debt - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Assets - This category presents external restrictions imposed by creditors, grantor, contributors or laws or regulation of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets - This category represents net assets of the County, not restricted for any project or other purpose.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

In the fund financial statements, reserves and designations segregate portions of fund balance that are not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and management and can be increased, reduced or eliminated by similar actions.

The following is a summary of designated fund balances, which are not available for appropriation and expenditure as shown in the governmental funds at June 30, 2002 (in thousands):

Reserved for:	General Fund	Capital Projects	Nonmajor Governmental Funds	Total
Encumbrances	\$ 3,222	\$ 20,665	\$ 7,532	\$ 31,419
Public Facility Fees			9,861	9,861
Impact Fees			9,735	9,735
Advances to Other Funds	3,639		154	3,793
Prepaid Items	240			240
Debt Service			1,167	1,167
Programs/Grants	11,660		1,818	13,478
Total Reserved	18,761	20,665	30,267	69,693
Unreserved Designated for:				
Building Safety		1,054		1,054
Los Osos Landfill Monitoring		600		600
Facility Planning		11,827		11,827
Facility/Equipment Replacement	2,416		7,592	10,008
Accounting System Development			6,124	6,124
Tax Reduction Reserve			10,918	10,918
Specific Road projects			1,421	1,421
Facilities Planning			849	849
General Reserve	7,600		5,187	12,787
Imprest Cash	80		1	81
Other Projects			625	625
Impounded Revenues	350			350
Fire Equipment Replacement	754			754
Contingent Liability	2,405			2,405
Internal Financing	3,734			3,734
Actuary Required Contribution	1,166			1,166
Accrued Paid Time	1,057			1,057
Accrued Revenue	8,157			8,157
County-wide Training			665	665
Total Designated	27,719	13,481	33,382	74,582
Unreserved/Undesignated	40,468	1,958	5,207	47,633
Total Unrestricted	\$ 68,187	\$ 15,439	\$ 38,589	\$ 122,215

See Note 1 for information regarding the reserves for encumbrances. Designations represent funds earmarked for the specific purposes indicated.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

As of June 30, 2002, the County's Insurance Internal Service Funds have a combined \$1,283,000 as unreserved fund balance designated for future catastrophic losses.

Deficit Fund Equity

The Workers' Compensation Insurance Internal Service Fund has net asset deficits of \$471,000. These deficits are expected to be eliminated in future years through a combination of cost reductions, adjustments to confidence levels, and possible rate increase. This will be determined after November 2002 when the latest actuarial report is received.

Restatement of Fund Equity/Net Assets

The beginning fund equity/net assets of the following governmental and business-type funds have been restated to reflect the cumulative effect of the implementation of GASB Statement 34 and 36 and fund reclassifications. The impact of the restatements on the fund balances/net assets as previously reported is presented below (in thousands):

	General Fund	Capital Projects	Nonmajor Gov't Funds	Airport	Golf	Medical Services
Fund Balance/net assets						
June 30, 2001	\$ 52,753	\$ 30,476	\$ 41,716	\$ 22,547	\$ 7,589	\$ 4,810
Reclassifications						
Agency	15,489	5,360	22,901	178	701	4
Debt Service Funds						
Public Financing Authority			(145)			
Fund Balance/net assets						
June 30, 2001	<u>\$ 68,242</u>	<u>\$ 35,836</u>	<u>\$ 64,472</u>	<u>\$ 22,725</u>	<u>\$ 8,290</u>	<u>\$ 4,814</u>

18. REVENUE ANTICIPATION NOTES

The County issues Tax and Revenue Anticipation Notes in advance of property tax collections, depositing the proceeds in its General Fund. These notes provide operating cash to cover the short-term cash flow deficit that occurs because of the timing difference between expenditures and the receipt of property taxes, governmental reimbursements, and other revenues. On June 24, 2002, the County repaid \$5,855,000 in Tax and Revenue Anticipation Notes plus a net interest cost of 2.60%. Therefore, there was no related liability on the books at June 30, 2002.

19. OTHER COMMITMENTS

In 1965, the County began payments in accordance with a contract with the State of California for the State Water Project water rights. Estimated future payments for the State Water Contract will total \$35,934,000 over the next 33 years if the County continues participation in the Contract. The estimated amounts vary by year. For example, the amount due in 2003 is \$526,000 while \$1,911,000 is due in 2035. Through Board order, the County is actively attempting to sell portions of the State Water Project water rights; therefore, these estimates are revised annually.

20. CONTINGENT LIABILITIES

The County is subject to various lawsuits, inverse condemnation cases, personnel actions, disputes over tax assessments, and other actions incidental to the ordinary course of County operations. In the opinion of the County Counsel, the total potential claims against the County not covered by insurance resulting from litigation would not materially affect the financial statements of the County at June 30, 2002.

21. OTHER REVENUES

Other revenues are generally one time payments or items not related to program activities. Broad categories of other revenues are as follows (in thousands):

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

Governmental funds:

	General Fund	Capital Projects	Nonmajor Gov't Funds
Tobacco Settlement	\$ 2,944	\$	\$
Other Settlements	1,004	259	
Reimbursements	584		
Surplus sales, publications and other items	2,847	27	
Refunds			132
Contributions non-governmental			257
HUD related non-program revenue			368
Other revenues	1,692		48
	<u>\$ 9,071</u>	<u>\$ 286</u>	<u>\$ 805</u>

Business-type funds:

	Airport	Golf	State Water	Lopez Flood Control
Passenger Facilities Fee	\$ 57	\$	\$	\$
Reimbursement			86	
Miscellaneous non-operating sources	50	49	5	189
	<u>\$ 107</u>	<u>\$ 49</u>	<u>\$ 91</u>	<u>\$ 189</u>

22. DEFINED BENEFIT PENSION PLAN

The County of San Luis Obispo contributes to the San Luis Obispo County Pension Trust, which is an independent single-employer, defined benefit plan for employees of the County of San Luis Obispo. Participation is mandatory for all permanent employees. The Plan was adopted by County ordinance in 1958 and amended in 1968 by the County Board of Supervisors, establishing the current benefit program. The administration of the Plan is under a Board of Trustees. The Board of Supervisors is responsible for amending plan provisions.

Under the terms of the Plan, participants, upon attaining the normal retirement age of 55 for Safety employees and Probation Officers and 60 for miscellaneous employees, are entitled to annual retirement benefits as defined in the Plan document. The Plan permits early retirement for all employees at age 50 with 5 or more years of service credit. Participants receive their accumulated plan benefits as a life annuity payable monthly upon retirement. In the event of total and permanent disability, participants, upon satisfaction of membership service requirements and other applicable provisions of the Plan, receive disability benefits as defined in the Plan document. The Plan also provides death benefits.

Participants are required to contribute to the Plan at rates for the current year ranging from 5.77% to 14.66% of their adjusted base salary as defined in the Plan document. Such contributions, together with the County's contributions, are currently invested in corporate notes, bonds, collateralized mortgage obligations, equity mutual funds, commingled real estate, real estate investment trusts, equity real estate holdings, and other short-term investments. The participants' accumulated contributions may be withdrawn at any time should participants leave the employment of the County prior to retirement.

The Pension Trust uses the calendar year for financial reporting purposes. Separate stand-alone financial statements were issued for the Plan and are available at the County of San Luis Obispo Auditor-Controller's office.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies

The Plan's consolidated financial statements include the accounts of the Plan and its wholly owned subsidiary, Fiduciary Properties Incorporated, and are prepared on the accrual basis of accounting. Contributions from the County and the County's employees are recognized as revenue in the period in which employees provide services to the County. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investment income is recognized as earned by the pension plan. Investments in corporate notes, bonds, collateralized mortgage obligations, equity mutual funds, commingled real estate, real estate investment trusts, equity real estate holdings, and other short-term investments, which are managed by the Plan's Board of Trustees, are carried at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value.

The Plan has elected to present their financial statements in accordance with Statement No. 25 of the Governmental Accounting Standards Board (GASB).

There are no investments in loans to or leases with parties related to the pension plan.

Contributions and Reserves

The Plan Board of Trustees establishes the pension plan contribution rate requirement. Periodic employer contributions to the Plan were determined on an actuarial basis using the Entry Age Normal cost method. The Entry Age Normal cost method identifies and separately amortizes unfunded actuarial liabilities. This method was adopted this year by the Board of Trustees to address funding issues raised by previously disclosed actuarial errors and a significant change in the benefit formula adopted by the Plan Sponsor. The Entry Age Normal cost method permits the selection of either a 30-year or 40-year amortization period. The Trustees elected an initial amortization period of 40 years. In addition, the Trustees, in recognition of the Plan Sponsor, adopted a policy to phase in the actuarial contribution over a five year period. This was approved by the Board of Supervisors May 15, 2001. The schedule of the required contributions rates over the five year period is as follows:

2002	11.58%
2003	12.25%
2004	12.91%
2005	13.57%
2006	14.24%

Total contributions to the Plan in 2001 amounted to \$21,832,000 of which San Luis Obispo County and its employees made \$12,639,000 and \$9,193,000 respectively. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of January 1, 2001. The actuarial values of assets were determined on a market related basis. The actuarial assumptions included (a) 7.75% investment rate of return (b) projected salary increases of 4 to 8.0% with a sliding scale based upon age and service and (c) inflation assumption of 4.0 % (Real rate of return assumption 7.75%-4%=3.75%).

The net assets held in trust for pension benefits are allocated among various reserves. For the year ended December 31, 2001, these reserves were generally credited with interest at the rate of 7.75 %. In addition, any additional employee or employer contributions, as well as interest credited to these additional contributions, earned interest at the rate of 7.75 %. Any interest or dividends earned in excess of the amount required to be credited to the various reserves is accumulated in the contingency reserve account.

Concentrations

As of December 31, 2001, the Plan had 40.117% of its net assets invested in the Vanguard Total Stock Market Portfolio Fund. During the current calendar year, Pension Trust transferred all of its net assets invested from the Vanguard Total Stock Market Portfolio Fund into the Mellon Fund Capital Funds. At the time of the transfer, the amount was 43% of the plan assets.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

Three-Year Trend Information (in thousands)

Fiscal Year Ending	Actuarial Required	Contribution	Investment	Percentage of ARC	Year End
	<u>Contributions (ARC)</u>	<u>Made</u>	<u>Return</u>	<u>Contributed</u>	<u>Net Pension Obligation</u>
6-30-2000	\$10,646	\$10,108	11.1%	95.3%	\$1,166
6-30-2001	\$12,036	\$10,711	9.4%	88.9%	\$2,627
6-30-2002	\$15,977	\$12,639	7.4%	79.1%	\$6,070

The Investment Return is based upon actuarial value of assets. The Contribution Made does not include Employee Additional and Additional Voluntary (\$8,000) and County Additional Contributions (\$59,000).

23. LANDFILL POSTCLOSURE CARE COSTS

The Los Osos Landfill is a closed facility under the responsibility of the County. State and federal laws and regulations require the County of San Luis Obispo to perform various maintenance and monitoring activities at the site for the remaining twenty-five years of a thirty-year period. By agreement with the land owner, the County assumed responsibility for all closure and postclosure costs when the facility stopped accepting waste. As of this date, the landfill closure is complete and only postclosure costs remain.

The remaining estimated long-term liability for landfill postclosure cost as of June 30, 2002 is \$3,223,000. The Public Works Director developed this cost estimate from a detailed analysis, which was based on engineering staff's experience in prior years with site closure, and consultation with landfill industry experts. However, the actual cost of postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Therefore, the cost estimate will be reviewed and adjusted annually for changes in these factors.

The annual amount of postclosure cost is being appropriated each year in a General Fund operating budget. Funding is provided by General Fund general purpose revenues. A \$600,000 designation is established in the Capital Projects Fund to insure the availability of funds, in a timely fashion, to meet any additional postclosure costs resulting from technological or regulatory changes that have not been anticipated in the annual budget.

24. SUBSEQUENT EVENTS

On July 1, 2002, the County of San Luis Obispo issued \$10,000,000 in Tax and Revenue Anticipation Notes through a statewide financing program jointly sponsored by the California State Association of Counties and the League of California Cities. The notes were issued at a net interest cost of 1.70%, with principal and interest maturing on June 30, 2003. The notes are not subject to redemption prior to maturity and are collateralized by FY 2001/2002 taxes and other revenues.

The County of San Luis Obispo intends to issue approximately \$29 million in certificates of participation in December 2002. The net debt proceeds will be used as follows:

- 1) Approximately \$20 million will fund construction of a new general government center. The project, which was approved by the Board of Supervisors on August 14, 2001, has an estimated total cost of approximately \$40 million. The remaining funds will be provided by County reserves. Preliminary work on the construction phase started in fiscal year 2001/02.
- 2) Approximately \$8 million will be used to establish an escrow account to refund and defease the 1995 series A certificates of deposit, which were issued to finance the construction of the Dairy Creek Golf Course. Upon deposit into the escrow account, the refunded certificates will be deemed to be no longer outstanding under the 1995 trust agreement.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

On October 15, 2002, the County Board of Supervisors voted for the closure of the acute inpatient units of County General Hospital. The Board of Supervisors plans to enter into contracts with private area hospitals and to expand clinic services and locations to serve the uninsured and medically indigent population.

COMBINING FINANCIAL STATEMENTS AND BUDGETARY SCHEDULES



NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS:

Debt service funds are used to account for the accumulation of resources for and the payment, of general long-term debt principal and interest.

San Luis Obispo County Financing Authority

The Authority was created to assist in the financing, construction, and equipping of public facilities for its members.

San Luis Obispo County Public Facilities Corporation

The PFC is a non-profit public benefit corporation organized to assist public agencies within the County of San Luis Obispo with the acquisition and construction of various public facilities.

SPECIAL REVENUE FUNDS:

Special revenue funds are used to account for revenues that are restricted by law or administrative actions to expenditures for specified purpose. Nonmajor special revenue funds used by the County are listed below:

Roads

Accounts for resources used to maintain the County road system

Parks

Accounts for resources used to provide parks and recreational services County-wide

Wildlife & Grazing

Accounts for resources used to provide for range improvements and the control of predators

First Offender / Drinking Driver Program

Accounts for resources used for the rehabilitation of drunk drivers (an educational component of Alcohol Services)

Tax Reductions Reserve

Accounts for resources used to offset future reductions of property tax revenues, which are provided by the tax loss reserve fund under the Teeter Plan

County-wide Automation Replacement

Accounts for funds used to provide for replacement of County-wide automation equipment

General Government Building Replacement

Accounts for resources for the replacement of the County's general government buildings

Community Development Program

Accounts for pass through grants from HUD entitlements to be distributed to the County and other local agencies

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Fish & Game

Accounts for funds generated by fines levied as a result of Fish and Game violations

Emergency Medical Services

Accounts for payments to physicians, hospitals, and other providers of emergency medical care from revenues imposed and collected by the courts

County Medical Services Program

Accounts for resources used to provide for the County Medical Services program which provides medical care for indigents pursuant to the County's obligation under Welfare and Institution Code Section 17000 et seq.

California Health Care Indigent Program

Accounts for revenues received from the State of California used to provide health care for the indigent population of the County

Road Impact Fees

Accounts for resources collected from developers to add, maintain, and improve roads in specific areas where the fees were allocated

Public Facilities Fees

Accounts for resources collected from the building permit process to build public facilities such as fire and law enforcement stations, library and general government structures

Organizational Effectiveness

Accounts for resources aimed at continuous efforts to improve the effectiveness of County government and provide countywide training activities for employees.

Governmental Leasing

Consolidates the needed resources to meet all financial obligations under long-term lease financing agreements with the debt service fund, Public Facilities Financing Corporation.

SPECIAL REVENUE SPECIAL DISTRICT FUNDS:

Flood Control Districts

Accounts for resources used to provide control and conservation of flood and storm waters, which are mutually exclusive of Enterprise Flood Control District funds

Lighting Districts

Accounts for resources used to provide street lighting in unincorporated areas of the County

County Service Areas

Accounts for resources used to provide a variety of services including fire protection, park facilities, water and sewer services, etc, which are mutually exclusive of Enterprise Fund County Service Areas



COUNTY OF SAN LUIS OBISPO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2002 (in thousands)

	Debt Service Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Cash and cash equivalents	\$ -	\$ 67,894	\$ 67,894
Accounts receivable, net	-	10	10
Other receivables	62	241	303
Due from other county funds	-	43	43
Due from other governments	-	1,991	1,991
Advances to other funds	-	154	154
Restricted cash with fiscal agent	1,270	-	1,270
Other assets	1,305	-	1,305
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 2,637</u>	<u>\$ 70,333</u>	<u>\$ 72,970</u>
<u>Liabilities and fund balances:</u>			
<u>Liabilities:</u>			
Accounts payable	\$ -	\$ 337	\$ 337
Trust deposits	-	192	192
Due to other county funds	-	787	787
Deposits from others	-	422	422
Salaries and benefits payable	-	154	154
Deferred revenue	-	130	130
Other short term liabilities	1,305	-	1,305
Advances from other county funds	-	622	622
Accrued interest	165	-	165
Total liabilities	<u>1,470</u>	<u>2,644</u>	<u>4,114</u>
<u>Fund balances:</u>			
Reserved	1,167	29,100	30,267
Unreserved, reported in nonmajor			
Special revenue funds		38,589	38,589
Total fund balance	<u>1,167</u>	<u>67,689</u>	<u>68,856</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 2,637</u>	<u>\$ 70,333</u>	<u>\$ 72,970</u>

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Debt Service Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Taxes	\$ -	\$ 7,045	\$ 7,045
Licenses, permits, and franchises	-	11	11
Fines, forfeits, and penalties	-	1,065	1,065
Revenues from use of money and property	121	2,423	2,544
Aid from governmental agencies	-	18,844	18,844
Charges for current services	7,473	14,037	21,510
Other revenues	2	803	805
Total revenues	<u>7,596</u>	<u>44,228</u>	<u>51,824</u>
<u>Expenditures:</u>			
Current:			
General government	-	6,576	6,576
Public protection	-	1,340	1,340
Public ways and facilities	-	20,836	20,836
Health and sanitation	-	4,209	4,209
Public assistance	-	3,453	3,453
Education	-	7,016	7,016
Recreational and cultural services	-	4,800	4,800
Debt service:			
Principal payments	4,735	-	4,735
Interest and fiscal charges	2,831	-	2,831
Total expenditures	<u>7,566</u>	<u>48,230</u>	<u>55,796</u>
Excess (deficiency) of revenues over expenditures	<u>30</u>	<u>(4,002)</u>	<u>(3,972)</u>
<u>Other financing sources (uses):</u>			
Transfers in	1,282	15,804	17,086
Transfers (out)	<u>(1,604)</u>	<u>(7,126)</u>	<u>(8,730)</u>
Total other financing sources and uses	<u>(322)</u>	<u>8,678</u>	<u>8,356</u>
Net change in fund balances	<u>(292)</u>	<u>4,676</u>	<u>4,384</u>
Fund balances - beginning, as previously reported	1,604	40,112	41,716
Prior period adjustments	<u>(145)</u>	<u>22,901</u>	<u>22,756</u>
Fund balances - beginning, as restated	<u>1,459</u>	<u>63,013</u>	<u>64,472</u>
Fund balances - ending	<u>\$ 1,167</u>	<u>\$ 67,689</u>	<u>\$ 68,856</u>

COUNTY OF SAN LUIS OBISPO
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2002 (in thousands)

	Debt Service Public Financing Corporation	Debt Service Public Financing Authority	Debt Service COP	Total Debt Service Funds
<u>Assets:</u>				
Other accrued receivables	\$ 31	\$ 31	\$ -	\$ 62
Restricted cash with fiscal agent	1,270	-	-	1,270
Other assets	825	480	-	1,305
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,126</u>	<u>\$ 511</u>	<u>\$ -</u>	<u>\$ 2,637</u>
<u>Liabilities and fund balances:</u>				
<u>Liabilities:</u>				
Other short term liabilities	\$ 825	\$ 480	-	\$ 1,305.00
Accrued interest	165	-		165
Total liabilities	<u>990</u>	<u>480</u>	<u>-</u>	<u>1,470</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Fund balances:</u>				
Reserved	<u>1,136</u>	<u>31</u>	<u>-</u>	<u>1,167</u>
Total fund balance	<u>1,136</u>	<u>31</u>	<u>-</u>	<u>1,167</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 2,126</u>	<u>\$ 511</u>	<u>\$ -</u>	<u>\$ 2,637</u>

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Debt Service Public Financing Corporation	Debt Service Public Financing Authority	Debt Service COP	Total Debt Service Funds
<u>Revenues:</u>				
Revenues from use of money and property	\$ 19	\$ 102	\$ -	\$ 121
Charges for current services	5,716	1,757	-	7,473
Other revenues	2	-	-	2
Total revenues	<u>5,737</u>	<u>1,859</u>	<u>-</u>	<u>7,596</u>
<u>Expenditures:</u>				
Current:				
Debt service:				
Principal payments	4,735	-	-	4,735
Interest and fiscal charges	1,148	1,683	-	2,831
Total expenditures	<u>5,883</u>	<u>1,683</u>	<u>-</u>	<u>7,566</u>
Excess (deficiency) of revenues over expenditures	<u>(146)</u>	<u>176</u>	<u>-</u>	<u>30</u>
<u>Other financing sources (uses):</u>				
Transfers in	1,282	-	-	1,282
Transfers (out)	-	-	(1,604)	(1,604)
Total other financing sources and uses	<u>1,282</u>	<u>-</u>	<u>(1,604)</u>	<u>(322)</u>
Net change in fund balances	<u>1,136</u>	<u>176</u>	<u>(1,604)</u>	<u>(292)</u>
Fund balances - beginning, as previously reported	-	-	1,604	1,604
Prior period adjustments	-	(145)	-	(145)
Fund balances - beginning, as restated	<u>-</u>	<u>(145)</u>	<u>1,604</u>	<u>1,459</u>
Fund balances - ending	<u>\$ 1,136</u>	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ 1,167</u>

COUNTY OF SAN LUIS OBISPO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2002 (in thousands)

	CA Health Indigent Prog	Community Development	CMSP	Co-Wide Autom Rplc
<u>Assets:</u>				
Cash and cash equivalents	\$ 146	\$ 583	\$ 1,030	\$ 10,491
Accounts receivable, net	-	10	-	-
Other receivables	-	-	-	-
Due from other county funds	-	-	-	-
Due from other governments	172	29	-	-
Advances to other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 318</u>	<u>\$ 622</u>	<u>\$ 1,030</u>	<u>\$ 10,491</u>
<u>Liabilities and fund balances:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 18	\$ -	\$ 54	\$ 1
Trust deposits	-	179	-	-
Due to other county funds	-	-	-	-
Deposits from others	-	-	-	-
Salaries and benefits payable	-	-	17	-
Deferred revenue	-	-	-	-
Advances from other county funds	-	-	-	-
Total liabilities	<u>18</u>	<u>179</u>	<u>71</u>	<u>1</u>
<u>Fund balances:</u>				
Reserved	297	414	959	88
Unreserved	3	29	-	10,402
Total fund balance	<u>300</u>	<u>443</u>	<u>959</u>	<u>10,490</u>
Total liabilities and fund balances	<u>\$ 318</u>	<u>\$ 622</u>	<u>\$ 1,030</u>	<u>\$ 10,491</u>

Continued on next page

COUNTY OF SAN LUIS OBISPO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2002 (in thousands)

Emergency Med Svcs	First Offend - Drunk Driver	Fish & Game	Gen Gov Bldg Rplcmnt
\$ 90	\$ 236	\$ 76	\$ 3,582
-	-	-	-
196	1	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 286</u>	<u>\$ 237</u>	<u>\$ 76</u>	<u>\$ 3,582</u>
\$ -	\$ 9	\$ 3	\$ -
-	-	-	-
-	16	-	-
-	-	-	-
-	19	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>44</u>	<u>3</u>	<u>-</u>
90	12	-	-
196	181	73	3,582
<u>286</u>	<u>193</u>	<u>73</u>	<u>3,582</u>
<u>\$ 286</u>	<u>\$ 237</u>	<u>\$ 76</u>	<u>\$ 3,582</u>

Assets:

Cash and cash equivalents
Accounts receivable, net
Other receivables
Due from other county funds
Due from other governments
Advances to other funds

Total assets

Liabilities and fund balances:

Liabilities:

Accounts payable
Trust deposits
Due to other county funds
Deposits from others
Salaries and benefits payable
Deferred revenue
Advances from other county funds
Total liabilities

Fund balances:

Reserved
Unreserved
Total fund balance

Total liabilities and fund balances

Continued on next page

COUNTY OF SAN LUIS OBISPO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2002 (in thousands)

	Impact Fee - Traffic	Library	Organizat'l Effectiveness	Parks
<u>Assets:</u>				
Cash and cash equivalents	\$ 9,789	\$ 3,504	\$ 1,467	\$ 2,309
Accounts receivable, net	-	-	-	-
Other receivables	10	11	-	21
Due from other county funds	-	-	-	40
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	154
Total assets	<u>\$ 9,799</u>	<u>\$ 3,515</u>	<u>\$ 1,467</u>	<u>\$ 2,524</u>
<u>Liabilities and fund balances:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 42	\$ 4	\$ 59
Trust deposits	-	1	-	-
Due to other county funds	64	17	-	-
Deposits from others	-	-	-	-
Salaries and benefits payable	-	63	-	55
Deferred revenue	-	-	-	130
Advances from other county funds	-	-	-	-
Total liabilities	<u>64</u>	<u>123</u>	<u>4</u>	<u>244</u>
<u>Fund balances:</u>				
Reserved	9,735	230	9	1,677
Unreserved	-	3,162	1,454	603
Total fund balance	<u>9,735</u>	<u>3,392</u>	<u>1,463</u>	<u>2,280</u>
Total liabilities and fund balances	<u>\$ 9,799</u>	<u>\$ 3,515</u>	<u>\$ 1,467</u>	<u>\$ 2,524</u>

Continued on next page

COUNTY OF SAN LUIS OBISPO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2002 (in thousands)

Public Facilities Fee	Roads	Tax Reduct. Reserve	Wildlife Grazing
\$ 9,873	\$ 6,989	\$ 11,722	\$ 46
-	-	-	-
-	2	-	-
-	1	-	-
-	1,790	-	-
-	-	-	-
<u>\$ 9,873</u>	<u>\$ 8,782</u>	<u>\$ 11,722</u>	<u>\$ 46</u>
\$ -	\$ 106	\$ -	\$ 1
12	-	-	-
-	638	-	-
-	421	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>12</u>	<u>1,165</u>	<u>-</u>	<u>1</u>
9,861	4,743	-	16
-	2,874	11,722	29
<u>9,861</u>	<u>7,617</u>	<u>11,722</u>	<u>45</u>
<u>\$ 9,873</u>	<u>\$ 8,782</u>	<u>\$ 11,722</u>	<u>\$ 46</u>

Assets:

Cash and cash equivalents
Accounts receivable, net
Other receivables
Due from other county funds
Due from other governments
Advances to other funds

Total assets

Liabilities and fund balances:

Liabilities:

Accounts payable
Trust deposits
Due to other county funds
Deposits from others
Salaries and benefits payable
Deferred revenue
Advances from other county funds
Total liabilities

Fund balances:

Reserved
Unreserved
Total fund balance

Total liabilities and fund balances

Continued on next page

COUNTY OF SAN LUIS OBISPO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2002 (in thousands)

			<u>Total</u>
	Govtl Leasing	Total Special Districts Funds	Special Revenue Funds
<u>Assets:</u>			
Cash and cash equivalents	\$ -	\$ 5,961	\$ 67,894
Accounts receivable, net	-	-	10
Other receivables	-	-	241
Due from other county funds	-	2	43
Due from other governments	-	-	1,991
Advances to other funds	-	-	154
	<u>-</u>	<u>-</u>	<u>154</u>
Total assets	<u>\$ -</u>	<u>\$ 5,963</u>	<u>\$ 70,333</u>
<u>Liabilities and fund balances:</u>			
<u>Liabilities:</u>			
Accounts payable	\$ -	\$ 40	\$ 337
Trust deposits	-	-	192
Due to other county funds	-	52	787
Deposits from others	-	1	422
Salaries and benefits payable	-	-	154
Deferred revenue	-	-	130
Advances from other county funds	-	622	622
Total liabilities	<u>-</u>	<u>715</u>	<u>2,644</u>
<u>Fund balances:</u>			
Reserved	-	969	29,100
Unreserved	-	4,279	38,589
Total fund balance	<u>-</u>	<u>5,248</u>	<u>67,689</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 5,963</u>	<u>\$ 70,333</u>



COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	CA Health Indigent Prog	Community Development	CMSP	Co-Wide Autom Rplc
<u>Revenues:</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and franchises	-	-	-	-
Fines, forfeits, and penalties	-	-	-	-
Revenues from use of money and property	5	-	35	299
Aid from governmental agencies	747	4,374	2,472	-
Charges for current services	127	-	124	1,620
Other revenues	-	368	-	-
Total revenues	<u>879</u>	<u>4,742</u>	<u>2,631</u>	<u>1,919</u>
<u>Expenditures:</u>				
Current:				
General government	-	-	-	1,248
Public protection	-	-	-	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	4,209	-	-
Public assistance	870	-	2,227	-
Education	-	-	-	-
Recreational and cultural services	-	-	-	-
Total expenditures	<u>870</u>	<u>4,209</u>	<u>2,227</u>	<u>1,248</u>
Excess (deficiency) of revenues over expenditures	<u>9</u>	<u>533</u>	<u>404</u>	<u>671</u>
<u>Other financing sources (uses):</u>				
Transfers in	-	-	-	2,000
Transfers (out)	-	(556)	-	(424)
Total other financing sources and uses	<u>-</u>	<u>(556)</u>	<u>-</u>	<u>1,576</u>
Net change in fund balances	<u>9</u>	<u>(23)</u>	<u>404</u>	<u>2,247</u>
Fund balances - beginning, as previously reported	286	-	555	8,243
Prior period adjustments	5	466	-	-
Fund balances - beginning, as restated	<u>291</u>	<u>466</u>	<u>555</u>	<u>8,243</u>
Fund balances - ending	<u>\$ 300</u>	<u>\$ 443</u>	<u>\$ 959</u>	<u>\$ 10,490</u>

Continued on next page

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

Emergency Med Svcs	First Offend - Drunk Driver	Fish & Game	Gen Gov Bldg Rplcmnt
\$ -	\$ -	\$ -	\$ -
-	-	-	-
583	-	12	-
3	8	-	119
-	-	-	-
-	1,382	-	808
-	2	13	-
586	1,392	25	927
-	-	-	-
-	-	11	-
-	-	-	-
-	-	-	-
356	-	-	-
-	1,376	-	-
-	-	-	-
356	1,376	11	-
230	16	14	927
-	-	-	-
-	-	-	-
-	-	-	-
230	16	14	927
56	177	59	2,655
-	-	-	-
56	177	59	2,655
\$ 286	\$ 193	\$ 73	\$ 3,582

Revenues:

Taxes
 Licenses, permits, and franchises
 Fines, forfeits, and penalties
 Revenues from use of money and property
 Aid from governmental agencies
 Charges for current services
 Other revenues
 Total revenues

Expenditures:

Current:

General government
 Public protection
 Public ways and facilities
 Health and sanitation
 Public assistance
 Education
 Recreational and cultural services
 Total expenditures
 Excess (deficiency) of revenues
 over expenditures

Other financing sources (uses):

Transfers in
 Transfers (out)
 Total other financing sources and uses
 Net change in fund balances

Fund balances - beginning, as
 previously reported
 Prior period adjustments
 Fund balances - beginning, as restated

Fund balances - ending

Continued on next page

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Impact Fee - Traffic	Library	Organizational Effectiveness	Parks
<u>Revenues:</u>				
Taxes	\$ -	\$ 4,057	\$ -	\$ -
Licenses, permits, and franchises	-	-	-	-
Fines, forfeits, and penalties	-	-	-	6
Revenues from use of money and property	365	123	26	28
Aid from governmental agencies	-	653	-	29
Charges for current services	2,050	248	-	2,421
Other revenues	132	(26)	1	44
Total revenues	<u>2,547</u>	<u>5,055</u>	<u>27</u>	<u>2,528</u>
<u>Expenditures:</u>				
Current:				
General government	-	-	299	-
Public protection	-	-	-	-
Public ways and facilities	1,810	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	5,640	-	-
Recreational and cultural services	-	-	-	4,800
Total expenditures	<u>1,810</u>	<u>5,640</u>	<u>299</u>	<u>4,800</u>
Excess (deficiency) of revenues over expenditures	<u>737</u>	<u>(585)</u>	<u>(272)</u>	<u>(2,272)</u>
<u>Other financing sources (uses):</u>				
Transfers in	-	383	1,735	2,535
Transfers (out)	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>383</u>	<u>1,735</u>	<u>2,535</u>
Net change in fund balances	<u>737</u>	<u>(202)</u>	<u>1,463</u>	<u>263</u>
Fund balances - beginning, as previously reported	-	3,265	-	582
Prior period adjustments	8,998	329	-	1,435
Fund balances - beginning, as restated	<u>8,998</u>	<u>3,594</u>	<u>-</u>	<u>2,017</u>
Fund balances - ending	<u>\$ 9,735</u>	<u>\$ 3,392</u>	<u>\$ 1,463</u>	<u>\$ 2,280</u>

Continued on next page

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

Public Facilities Fee	Roads	Tax Reduct. Reserve	Wildlife Grazing
\$ -	\$ 939	\$ 1,000	\$ -
-	11	-	-
-	181	-	-
441	254	412	2
-	10,447	-	9
2,560	1,881	-	-
-	257	-	-
<u>3,001</u>	<u>13,970</u>	<u>1,412</u>	<u>11</u>
-	-	-	-
-	-	-	10
-	18,605	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>18,605</u>	<u>-</u>	<u>10</u>
<u>3,001</u>	<u>(4,635)</u>	<u>1,412</u>	<u>1</u>
-	3,953	-	-
<u>(4,297)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(4,297)</u>	<u>3,953</u>	<u>-</u>	<u>-</u>
<u>(1,296)</u>	<u>(682)</u>	<u>1,412</u>	<u>1</u>
-	7,788	10,310	44
<u>11,157</u>	<u>511</u>	<u>-</u>	<u>-</u>
<u>11,157</u>	<u>8,299</u>	<u>10,310</u>	<u>44</u>
<u>\$ 9,861</u>	<u>\$ 7,617</u>	<u>\$ 11,722</u>	<u>\$ 45</u>

Revenues:

Taxes
 Licenses, permits, and franchises
 Fines, forfeits, and penalties
 Revenues from use of money and property
 Aid from governmental agencies
 Charges for current services
 Other revenues
 Total revenues

Expenditures:

Current:

General government
 Public protection
 Public ways and facilities
 Health and sanitation
 Public assistance
 Education
 Recreational and cultural services
 Total expenditures
 Excess (deficiency) of revenues
 over expenditures

Other financing sources (uses):

Transfers in
 Transfers (out)
 Total other financing sources and uses
 Net change in fund balances

Fund balances - beginning, as
 previously reported
 Prior period adjustments
 Fund balances - beginning, as restated

Fund balances - ending

Continued on next page

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

			Total
	Govtl Leasing	Total Special Districts Funds	Special Revenue Funds
<u>Revenues:</u>			
Taxes	\$ -	\$ 1,049	\$ 7,045
Licenses, permits, and franchises	-	-	11
Fines, forfeits, and penalties	283	-	1,065
Revenues from use of money and property	85	218	2,423
Aid from governmental agencies	-	113	18,844
Charges for current services	748	68	14,037
Other revenues	-	12	803
Total revenues	<u>1,116</u>	<u>1,460</u>	<u>44,228</u>
<u>Expenditures:</u>			
Current:			
General government	5,029	-	6,576
Public protection	-	1,319	1,340
Public ways and facilities	-	421	20,836
Health and sanitation	-	-	4,209
Public assistance	-	-	3,453
Education	-	-	7,016
Recreational and cultural services	-	-	4,800
Total expenditures	<u>5,029</u>	<u>1,740</u>	<u>48,230</u>
Excess (deficiency) of revenues over expenditures	<u>(3,913)</u>	<u>(280)</u>	<u>(4,002)</u>
<u>Other financing sources (uses):</u>			
Transfers in	5,172	26	15,804
Transfers (out)	<u>(1,259)</u>	<u>(590)</u>	<u>(7,126)</u>
Total other financing sources and uses	<u>3,913</u>	<u>(564)</u>	<u>8,678</u>
Net change in fund balances	<u>-</u>	<u>(844)</u>	<u>4,676</u>
Fund balances - beginning, as previously reported	-	6,092	40,112
Prior period adjustments	-	-	22,901
Fund balances - beginning, as restated	<u>-</u>	<u>6,092</u>	<u>63,013</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 5,248</u>	<u>\$ 67,689</u>



COUNTY OF SAN LUIS OBISPO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - SPECIAL DISTRICTS
JUNE 30, 2002 (in thousands)

	Flood Control Districts	Lighting Districts	County Service Areas	Total Special Revenue Special District Funds
<u>Assets:</u>				
Cash and cash equivalents	\$ 3,911	\$ 367	\$ 1,683	\$ 5,961
Due from other county funds	2	-	-	2
Total assets	<u>\$ 3,913</u>	<u>\$ 367</u>	<u>\$ 1,683</u>	<u>\$ 5,963</u>
<u>Liabilities and fund balances:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 23	\$ -	\$ 17	\$ 40
Due to other county funds	49	1	2	52
Deposits from others	1	-	-	1
Advances from other county funds	-	-	622	622
Total liabilities	<u>73</u>	<u>1</u>	<u>641</u>	<u>715</u>
<u>Fund balances:</u>				
Reserved	966	-	3	969
Unreserved:	2,874	366	1,039	4,279
Total fund balance	<u>3,840</u>	<u>366</u>	<u>1,042</u>	<u>5,248</u>
Total liabilities and fund balances	<u>\$ 3,913</u>	<u>\$ 367</u>	<u>\$ 1,683</u>	<u>\$ 5,963</u>

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NONMAJOR SPECIAL REVENUE FUNDS - SPECIAL DISTRICTS
 JUNE 30, 2002 (in thousands)

	Flood Control Districts	Lighting Districts	County Service Areas	Total Special Revenue Special District Funds
<u>Revenues:</u>				
Taxes	\$ 888	\$ 22	\$ 139	\$ 1,049
Revenues from use of money and property	143	13	62	218
Aid from governmental agencies	112	-	1	113
Charges for current services	31	2	35	68
Other revenues	9	-	3	12
Total revenues	<u>1,183</u>	<u>37</u>	<u>240</u>	<u>1,460</u>
<u>Expenditures:</u>				
Current:				
Public protection	1,302	16	1	1,319
Public ways and facilities	-	-	421	421
Total expenditures	<u>1,302</u>	<u>16</u>	<u>422</u>	<u>1,740</u>
Excess (deficiency) of revenues over expenditures	<u>(119)</u>	<u>21</u>	<u>(182)</u>	<u>(280)</u>
<u>Other financing sources (uses):</u>				
Transfers in	14	-	12	26
Transfers (out)	(547)	-	(43)	(590)
Total other financing sources and uses	<u>(533)</u>	<u>-</u>	<u>(31)</u>	<u>(564)</u>
Net change in fund balances	<u>(652)</u>	<u>21</u>	<u>(213)</u>	<u>(844)</u>
Fund balances - beginning	<u>4,492</u>	<u>345</u>	<u>1,255</u>	<u>6,092</u>
Fund balances - ending	<u>\$ 3,840</u>	<u>\$ 366</u>	<u>\$ 1,042</u>	<u>\$ 5,248</u>



BUDGETARY COMPARISON SCHEDULES



COUNTY OF SAN LUIS OBISPO
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 500	\$ 500	\$ 500	\$ -
Fines, forfeits, and penalties	4,900	7,804	956	(6,848)
Revenues from use of money and property	600	600	1,052	452
Aid from governmental agencies	259	8,956	98	(8,858)
Charges for current services	4,289	2,742	958	(1,784)
Other revenues	-	794	286	(508)
Total revenues	<u>10,548</u>	<u>21,396</u>	<u>3,850</u>	<u>(17,546)</u>
<u>Expenditures:</u>				
Capital Outlay	<u>51,791</u>	<u>72,375</u>	<u>28,585</u>	<u>43,790</u>
Total expenditures	<u>51,791</u>	<u>72,375</u>	<u>28,585</u>	<u>43,790</u>
Excess (deficiency) of revenues over expenditures	<u>(41,243)</u>	<u>(50,979)</u>	<u>(24,735)</u>	<u>26,244</u>
<u>Other financing sources (uses):</u>				
Transfers in	20,025	28,542	4,337	(24,205)
Reserves, designations and contingencies	2,464	3,683		(3,683)
Total other financing sources and uses	<u>22,489</u>	<u>32,225</u>	<u>4,337</u>	<u>(27,888)</u>
Net change in fund balances	<u>(18,754)</u>	<u>(18,754)</u>	<u>(20,398)</u>	<u>(1,644)</u>
Budgetary fund balances - beginning	<u>18,754</u>	<u>18,754</u>	<u>30,476</u>	<u>11,722</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,078</u>	<u>\$ 10,078</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 28,585
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(20,666)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 7,919</u>

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE BUDGETARY COMPARISON SCHEDULE
CALIFORNIA HEALTH CARE INDIGENT PROGRAM FUND
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ 7	\$ 7	\$ 5	\$ (2)
Aid from governmental agencies	681	747	747	-
Charges for current services	115	215	127	(88)
Total revenues	803	969	879	(90)
<u>Expenditures:</u>				
Public assistance	1,089	1,255	1,167	88
Total expenditures	1,089	1,255	1,167	88
Excess (deficiency) of revenues over expenditures	(286)	(286)	(288)	(2)
<u>Other financing sources (uses):</u>				
Total other financing sources and uses	-	-	-	-
Net change in fund balances	(286)	(286)	(288)	(2)
Budgetary fund balances - beginning as previously stated	286	286	286	-
Prior period adjustments			5	5
Budgetary fund balances - beginning, as restated	286	286	291	5
Budgetary fund balances - ending	\$ -	\$ -	\$ 3	\$ 3
<u>Explanation of differences between budgetary outflows and GAAP expenditures:</u>				
Expenditures on budgetary basis				\$ 1,167
Differences - budget to GAAP:				
Less:				
Encumbrances				(297)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances				\$ 870

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT FUND
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Aid from governmental agencies	\$ 4,181	\$ 10,245	\$ 4,374	\$ (5,871)
Charges for current services	-	-	-	-
Other revenues	-	25	368	343
Total revenues	<u>4,181</u>	<u>10,270</u>	<u>4,742</u>	<u>(5,528)</u>
<u>Expenditures:</u>				
Health and sanitation	<u>4,181</u>	<u>9,716</u>	<u>4,234</u>	<u>5,482</u>
Total expenditures	<u>4,181</u>	<u>9,716</u>	<u>4,234</u>	<u>5,482</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>554</u>	<u>508</u>	<u>(46)</u>
<u>Other financing sources (uses):</u>				
Transfers (out)	-	(556)	(556)	-
Reserves, designations and contingencies	-	2	-	(2)
Total other financing sources and uses	<u>-</u>	<u>(554)</u>	<u>(556)</u>	<u>(2)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(48)</u>	<u>(48)</u>
Budgetary fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48)</u>	<u>\$ (48)</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 4,234
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(25)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 4,209</u>

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE BUDGETARY COMPARISON SCHEDULE
COUNTY-WIDE AUTOMATION REPLACEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ -	\$ -	\$ 299	\$ 299
Charges for current services	1,620	1,620	1,620	-
Total revenues	1,620	1,620	1,919	299
<u>Expenditures:</u>				
General government	1,470	1,470	1,336	134
Total expenditures	1,470	1,470	1,336	134
Excess (deficiency) of revenues over expenditures	150	150	583	433
<u>Other financing sources (uses):</u>				
Transfers in	-	-	2,000	2,000
Transfers out	-	(424)	(424)	-
Reserves, designations and contingencies	(519)	(95)	-	95
Total other financing sources and uses	(519)	(519)	1,576	2,095
Net change in fund balances	(369)	(369)	2,159	2,528
Budgetary fund balances - beginning	369	369	8,243	7,874
Fund balances—ending	\$ -	\$ -	\$ 10,402	\$ 10,402
<u>Explanation of differences between budgetary outflows and GAAP expenditures:</u>				
Expenditures on budgetary basis				\$ 1,336
Differences - budget to GAAP:				
Less:				
Encumbrances				(88)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances				\$ 1,248

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE BUDGETARY COMPARISON SCHEDULE
COUNTY MEDICAL SERVICES PROGRAM (CMSP)
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ 20	\$ 20	\$ 35	\$ 15
Aid from governmental agencies	2,472	2,472	2,472	-
Charges for current services	107	145	124	(21)
Total revenues	<u>2,599</u>	<u>2,637</u>	<u>2,631</u>	<u>(6)</u>
<u>Expenditures:</u>				
Public assistance	<u>3,154</u>	<u>3,192</u>	<u>3,186</u>	<u>6</u>
Total expenditures	<u>3,154</u>	<u>3,192</u>	<u>3,186</u>	<u>6</u>
Excess (deficiency) of revenues over expenditures	<u>(555)</u>	<u>(555)</u>	<u>(555)</u>	<u>-</u>
<u>Other financing sources (uses):</u>				
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(555)</u>	<u>(555)</u>	<u>(555)</u>	<u>-</u>
Budgetary fund balances - beginning	<u>555</u>	<u>555</u>	<u>555</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 3,186
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(959)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 2,227</u>

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE BUDGETARY COMPARISON SCHEDULE
EMERGENCY MEDICAL SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Fines, forfeits, and penalties	\$ 378	\$ 378	\$ 583	\$ 205
Revenues from use of money and property	4	4	3	(1)
Total revenues	382	382	586	204
<u>Expenditures:</u>				
Public assistance	438	438	438	-
Total expenditures	438	438	438	-
Excess (deficiency) of revenues over expenditures	(56)	(56)	148	204
<u>Other financing sources (uses):</u>				
Total other financing sources and uses	-	-	-	-
Net change in fund balances	(56)	(56)	148	204
Budgetary fund balances - beginning	56	56	56	-
Budgetary fund balances - ending	\$ -	\$ -	\$ 204	\$ 204
<u>Explanation of differences between budgetary outflows and GAAP expenditures:</u>				
Expenditures on budgetary basis				\$ 438
Differences - budget to GAAP:				
Less:				
Encumbrances				(82)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances				\$ 356

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE BUDGETARY COMPARISON SCHEDULE
FIRST OFFENDER - DRUNK DRIVER FUND
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ 10	\$ 10	\$ 8	\$ (2)
Charges for current services	1,522	1,522	1,382	(140)
Other revenues	-	-	2	2
Total revenues	<u>1,532</u>	<u>1,532</u>	<u>1,392</u>	<u>(140)</u>
<u>Expenditures:</u>				
Education	<u>1,562</u>	<u>1,562</u>	<u>1,388</u>	<u>174</u>
Total expenditures	<u>1,562</u>	<u>1,562</u>	<u>1,388</u>	<u>174</u>
Excess (deficiency) of revenues over expenditures	<u>(30)</u>	<u>(30)</u>	<u>4</u>	<u>34</u>
<u>Other financing sources (uses):</u>				
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(30)</u>	<u>(30)</u>	<u>4</u>	<u>34</u>
Budgetary fund balances - beginning	<u>30</u>	<u>30</u>	<u>177</u>	<u>147</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181</u>	<u>\$ 181</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 1,388
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(12)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 1,376</u>

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE BUDGETARY COMPARISON SCHEDULE
FISH AND GAME FUND
FOR THE YEAR ENDED JUNE 30, 2002

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Fines, forfeits, and penalties	\$ 10	\$ 10	\$ 12	\$ 2
Other revenues	-	-	13	13
Total revenues	10	10	25	15
<u>Expenditures:</u>				
Public protection	20	20	11	9
Total expenditures	20	20	11	9
Excess (deficiency) of revenues over expenditures	(10)	(10)	14	24
<u>Other financing sources (uses):</u>				
Reserves, designations and contingencies	(9)	(9)		9
Total other financing sources and uses	(9)	(9)	-	9
Net change in fund balances	(19)	(19)	14	33
Budgetary fund balances - beginning	19	19	59	40
Budgetary fund balances - ending	\$ -	\$ -	\$ 73	\$ 73

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE BUDGETARY COMPARISON SCHEDULE
GENERAL GOVERNMENT BUILDING REPLACEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ -	\$ -	\$ 119	\$ 119
Charges for current services	808	808	808	-
Total revenues	808	808	927	119
<u>Expenditures:</u>				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	808	808	927	119
<u>Other financing sources (uses):</u>				
Reserves, designations and contingencies	(808)	(808)	-	808
Total other financing sources and uses	(808)	(808)	-	808
Net change in fund balances	-	-	927	927
Budgetary fund balances - beginning	-	-	2,655	2,655
Budgetary fund balances - ending	\$ -	\$ -	\$ 3,582	\$ 3,582

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE BUDGETARY COMPARISON SCHEDULE
IMPACT FEES TRAFFIC FUND
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ 266	\$ 266	\$ 365	\$ 99
Charges for current services	626	626	2,050	1,424
Other revenues	8,742	8,998	132	(8,866)
Total revenues	<u>9,634</u>	<u>9,890</u>	<u>2,547</u>	<u>(7,343)</u>
<u>Expenditures:</u>				
Public ways and facilities	<u>3,763</u>	<u>6,430</u>	<u>1,810</u>	<u>4,620</u>
Total expenditures	<u>3,763</u>	<u>6,430</u>	<u>1,810</u>	<u>4,620</u>
Excess (deficiency) of revenues over expenditures	<u>5,871</u>	<u>3,460</u>	<u>737</u>	<u>(2,723)</u>
<u>Other financing sources (uses):</u>				
Reserves, designations and contingencies	<u>(5,871)</u>	<u>(3,460)</u>	<u>-</u>	<u>3,460</u>
Total other financing sources and uses	<u>(5,871)</u>	<u>(3,460)</u>	<u>-</u>	<u>3,460</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>737</u>	<u>737</u>
Budgetary fund balances - beginning, as previously stated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>8,998</u>	<u>8,998</u>
Budgetary fund balances - beginning, as restated	<u>-</u>	<u>-</u>	<u>8,998</u>	<u>8,998</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,735</u>	<u>\$ 9,735</u>

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE BUDGETARY COMPARISON SCHEDULE
LIBRARY FUND
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 3,922	\$ 3,922	\$ 4,057	\$ 135
Revenues from use of money and property	109	109	123	14
Aid from governmental agencies	647	647	653	6
Charges for current services	182	182	248	66
Other revenues	56	458	(26)	(484)
Total revenues	<u>4,916</u>	<u>5,318</u>	<u>5,055</u>	<u>(263)</u>
<u>Expenditures:</u>				
Education	<u>6,299</u>	<u>6,752</u>	<u>5,870</u>	<u>882</u>
Total expenditures	<u>6,299</u>	<u>6,752</u>	<u>5,870</u>	<u>882</u>
Excess (deficiency) of revenues over expenditures	<u>(1,383)</u>	<u>(1,434)</u>	<u>(815)</u>	<u>619</u>
<u>Other financing sources (uses):</u>				
Transfers in	333	383	383	-
Reserves, designations and contingencies	4	5	-	(5)
Total other financing sources and uses	<u>337</u>	<u>388</u>	<u>383</u>	<u>(5)</u>
Net change in fund balances	<u>(1,046)</u>	<u>(1,046)</u>	<u>(432)</u>	<u>614</u>
Budgetary fund balances - beginning, as previously stated	1,046	1,046	3,265	2,219
Prior period adjustments			329	329
Budgetary fund balances - beginning, as restated	<u>1,046</u>	<u>1,046</u>	<u>3,594</u>	<u>2,548</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,162</u>	<u>\$ 3,162</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 5,870
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(230)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 5,640</u>

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE BUDGETARY COMPARISON SCHEDULE
ORGANIZATIONAL EFFECTIVENESS FUND
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ -	\$ -	\$ 26	\$ 26
Other revenues	-	-	1	1
Total revenues	-	-	27	27
<u>Expenditures:</u>				
General government	535	535	308	227
Total expenditures	535	535	308	227
Excess (deficiency) of revenues over expenditures	(535)	(535)	(281)	254
<u>Other financing sources (uses):</u>				
Transfers in	1,735	1,735	1,735	-
Reserves, designations and contingencies	(1,200)	(1,200)	-	1,200
Total other financing sources and uses	535	535	1,735	1,200
Net change in fund balances	-	-	1,454	1,454
Budgetary fund balances - beginning	-	-	-	-
Budgetary fund balances - ending	\$ -	\$ -	\$ 1,454	\$ 1,454

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 308
Differences - budget to GAAP:	
Less:	
Encumbrances	(9)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	\$ 299

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE BUDGETARY COMPARISON SCHEDULE
PARKS FUND
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Fines, forfeits, and penalties	\$ 9	\$ 9	\$ 6	\$ (3)
Revenues from use of money and property	41	41	28	(13)
Aid from governmental agencies	-	22	29	7
Charges for current services	2,105	2,365	2,421	56
Other revenues	3	23	44	21
Total revenues	<u>2,158</u>	<u>2,460</u>	<u>2,528</u>	<u>68</u>
<u>Expenditures:</u>				
Recreational and cultural services	4,899	5,316	4,895	421
Total expenditures	<u>4,899</u>	<u>5,316</u>	<u>4,895</u>	<u>421</u>
Excess (deficiency) of revenues over expenditures	<u>(2,741)</u>	<u>(2,856)</u>	<u>(2,367)</u>	<u>489</u>
<u>Other financing sources (uses):</u>				
Transfers in	2,559	2,674	2,535	(139)
Reserves, designations and contingencies	(1)	(1)	-	1
Total other financing sources and uses	<u>2,558</u>	<u>2,673</u>	<u>2,535</u>	<u>(138)</u>
Net change in fund balances	<u>(183)</u>	<u>(183)</u>	<u>168</u>	<u>351</u>
Budgetary fund balances - beginning as previously stated	183	183	582	399
Prior period adjustments			1,435	1,435
Budgetary fund balances - beginning, as restated	<u>183</u>	<u>183</u>	<u>2,017</u>	<u>1,834</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,185</u>	<u>\$ 2,185</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 4,895
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(95)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 4,800</u>

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE BUDGETARY COMPARISON SCHEDULE
PUBLIC FACILITIES FEES
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ -	\$ -	\$ 441	\$ 441
Charges for current services	3,385	3,385	2,560	(825)
Other revenues	10,831	10,831	-	(10,831)
Total revenues	14,216	14,216	3,001	(11,215)
<u>Expenditures:</u>				
Public ways and facilities	8,958	-	-	-
Total expenditures	8,958	-	-	-
Excess (deficiency) of revenues over expenditures	5,258	14,216	3,001	(11,215)
<u>Other financing sources (uses):</u>				
Transfers out	-	(9,335)	(4,297)	5,038
Reserves, designations and contingencies	(5,258)	(4,881)	-	4,881
Total other financing sources and uses	(5,258)	(14,216)	(4,297)	9,919
Net change in fund balances	-	-	(1,296)	(1,296)
Budgetary fund balances - beginning, as previously stated	-	-	-	-
Prior period adjustments			11,157	11,157
Budgetary fund balances - beginning, as restated	-	-	11,157	11,157
Budgetary fund balances - ending	\$ -	\$ -	\$ 9,861	\$ 9,861

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE BUDGETARY COMPARISON SCHEDULE
ROADS FUND
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 927	\$ 927	\$ 939	\$ 12
Licenses, permits, and franchises	-	-	11	11
Fines, forfeits, and penalties	-	-	181	181
Revenues from use of money and property	35	35	254	219
Aid from governmental agencies	11,750	17,482	10,447	(7,035)
Charges for current services	4,007	6,674	1,881	(4,793)
Other revenues	34	34	257	223
Total revenues	16,753	25,152	13,970	(11,182)
<u>Expenditures:</u>				
Public ways and facilities	26,395	35,336	23,026	12,310
Total expenditures	26,395	35,336	23,026	12,310
Excess (deficiency) of revenues over expenditures	(9,642)	(10,184)	(9,056)	1,128
<u>Other financing sources (uses):</u>				
Transfers in	3,781	3,781	3,953	172
Reserves, designations and contingencies	(1,570)	(1,028)	-	1,028
Total other financing sources and uses	2,211	2,753	3,953	1,200
Net change in fund balances	(7,431)	(7,431)	(5,103)	2,328
Budgetary fund balances - beginning as previously stated	7,431	7,431	7,788	357
Prior period adjustments			511	511
Budgetary fund balances - beginning, as restated	7,431	7,431	8,299	868
Budgetary fund balances - ending	\$ -	\$ -	\$ 3,196	\$ 3,196

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 23,026
Differences - budget to GAAP:	
Less:	
Encumbrances	(4,421)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	\$ 18,605

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE BUDGETARY COMPARISON SCHEDULE
TAX REDUCTION RESERVE FUND
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Revenues from use of money and property	-	-	412	412
Total revenues	1,000	1,000	1,412	412
<u>Expenditures:</u>				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	1,000	1,000	1,412	412
<u>Other financing sources (uses):</u>				
Reserves, designations and contingencies	(1,000)	(1,000)	-	1,000
Total other financing sources and uses	(1,000)	(1,000)	-	1,000
Net change in fund balances	-	-	1,412	1,412
Budgetary fund balances - beginning	-	-	10,310	10,310
Budgetary fund balances - ending	\$ -	\$ -	\$ 11,722	\$ 11,722

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE BUDGETARY COMPARISON SCHEDULE
WILDLIFE GRAZING FUND
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ 2	\$ 2	\$ 2	\$ -
Aid from governmental agencies	8	8	9	1
Total revenues	10	10	11	1
<u>Expenditures:</u>				
Public protection	14	25	25	-
Total expenditures	14	25	25	-
Excess (deficiency) of revenues over expenditures	(4)	(15)	(14)	1
<u>Other financing sources (uses):</u>				
Reserves, designations and contingencies	1	12	-	(12)
Total other financing sources and uses	1	12	-	(12)
Net change in fund balances	(3)	(3)	(14)	(11)
Budgetary fund balances - beginning	3	3	44	41
Budgetary fund balances - ending	\$ -	\$ -	\$ 30	\$ 30

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 25
Differences - budget to GAAP:	
Less:	
Encumbrances	(15)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	\$ 10

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL LEASING
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Fines, forfeits, and penalties	\$ 284	\$ 284	\$ 283	\$ (1)
Revenues from use of money and property	70	70	85	15
Charges for current services	751	751	748	(3)
Total revenues	<u>1,105</u>	<u>1,105</u>	<u>1,116</u>	<u>11</u>
<u>Expenditures:</u>				
General government	5,032	5,032	5,029	3
Total expenditures	<u>5,032</u>	<u>5,032</u>	<u>5,029</u>	<u>3</u>
Excess (deficiency) of revenues over expenditures	<u>(3,927)</u>	<u>(3,927)</u>	<u>(3,913)</u>	<u>14</u>
<u>Other financing sources (uses):</u>				
Transfers in	3,568	3,568	5,172	1,604
Transfers out	-	-	(1,259)	(1,259)
Reserves, designations and contingencies	(18,077)	(18,077)	-	18,077
Total other financing sources and uses	<u>(14,509)</u>	<u>(14,509)</u>	<u>3,913</u>	<u>18,422</u>
Net change in fund balances	<u>(18,436)</u>	<u>(18,436)</u>	<u>-</u>	<u>18,436</u>
Budgetary fund balances - beginning as previously stated	18,436	18,436	-	(18,436)
Prior period adjustments			-	-
Budgetary fund balances - beginning, as restated	<u>18,436</u>	<u>18,436</u>	<u>-</u>	<u>(18,436)</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE BUDGETARY COMPARISON SCHEDULE
TOTAL SPECIAL DISTRICTS
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 852	\$ 852	\$ 1,049	\$ 197
Revenues from use of money and property	198	198	218	20
Aid from governmental agencies	45	53	113	60
Charges for current services	259	259	68	(191)
Other revenues	-	-	12	12
Total revenues	<u>1,354</u>	<u>1,362</u>	<u>1,460</u>	<u>98</u>
<u>Expenditures:</u>				
Public protection	2,849	2,914	2,284	630
Public ways and facilities	1,528	1,940	425	1,515
Total expenditures	<u>4,377</u>	<u>4,854</u>	<u>2,709</u>	<u>2,145</u>
Excess (deficiency) of revenues over expenditures	<u>(3,023)</u>	<u>(3,492)</u>	<u>(1,249)</u>	<u>2,243</u>
<u>Other financing sources (uses):</u>				
Transfers in	966	1,388	26	(1,362)
Transfers out	(167)	(191)	(590)	(399)
Reserves, designations and contingencies	(402)	(331)	-	331
Total other financing sources and uses	<u>397</u>	<u>866</u>	<u>(564)</u>	<u>(1,430)</u>
Net change in fund balances	<u>(2,626)</u>	<u>(2,626)</u>	<u>(1,813)</u>	<u>813</u>
Budgetary fund balances - beginning	<u>2,626</u>	<u>2,626</u>	<u>(6,092)</u>	<u>(8,718)</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,905)</u>	<u>\$ (7,905)</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 2,709
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(969)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 1,740</u>

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE - SPECIAL DISTRICT BUDGETARY COMPARISON SCHEDULE
FLOOD CONTROL DISTRICTS
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 712	\$ 712	\$ 888	\$ 176
Revenues from use of money and property	131	131	143	12
Aid from governmental agencies	44	52	112	60
Charges for current services	30	30	31	1
Other revenues	-	-	9	9
Total revenues	<u>917</u>	<u>925</u>	<u>1,183</u>	<u>258</u>
<u>Expenditures:</u>				
Public protection	<u>2,658</u>	<u>2,723</u>	<u>2,268</u>	<u>455</u>
Total expenditures	<u>2,658</u>	<u>2,723</u>	<u>2,268</u>	<u>455</u>
Excess (deficiency) of revenues over expenditures	<u>(1,741)</u>	<u>(1,798)</u>	<u>(1,085)</u>	<u>713</u>
<u>Other financing sources (uses):</u>				
Transfers in	14	14	14	-
Transfers (out)	-	(14)	(547)	(533)
Reserves, designations and contingencies	<u>(391)</u>	<u>(320)</u>	<u>-</u>	<u>320</u>
Total other financing sources and uses	<u>(377)</u>	<u>(320)</u>	<u>(533)</u>	<u>(213)</u>
Net change in fund balances	<u>(2,118)</u>	<u>(2,118)</u>	<u>(1,618)</u>	<u>500</u>
Budgetary fund balances - beginning	<u>2,118</u>	<u>2,118</u>	<u>(4,492)</u>	<u>(6,610)</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,110)</u>	<u>\$ (6,110)</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 2,268
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(966)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 1,302</u>

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE - SPECIAL DISTRICT BUDGETARY COMPARISON SCHEDULE
LIGHTING CONTROL DISTRICTS
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 19	\$ 19	\$ 22	\$ 3
Revenues from use of money and property	11	11	13	2
Charges for current services	-	-	2	2
Total revenues	30	30	37	7
<u>Expenditures:</u>				
Public protection	191	191	16	175
Total expenditures	191	191	16	175
Excess (deficiency) of revenues over expenditures	(161)	(161)	21	182
<u>Other financing sources (uses):</u>				
Reserves, designations and contingencies	(11)	(11)	-	11
Total other financing sources and uses	(11)	(11)	-	11
Net change in fund balances	(172)	(172)	21	193
Budgetary fund balances - beginning	172	172	(345)	(517)
Budgetary fund balances - ending	\$ -	\$ -	\$ (324)	\$ (324)

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE - SPECIAL DISTRICT BUDGETARY COMPARISON SCHEDULE
COUNTY SERVICES AREAS
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 121	\$ 121	\$ 139	\$ 18
Revenues from use of money and property	56	56	62	6
Aid from governmental agencies	1	1	1	-
Charges for current services	229	229	35	(194)
Other revenues	-	-	3	3
Total revenues	407	407	240	(167)
<u>Expenditures:</u>				
Public ways and facilities	1,528	1,940	425	1,515
Total expenditures	1,528	1,940	425	1,515
Excess (deficiency) of revenues over expenditures	(1,121)	(1,533)	(185)	1,348
<u>Other financing sources (uses):</u>				
Transfers in	952	1,374	12	(1,362)
Transfers (out)	(167)	(177)	(43)	134
Total other financing sources and uses	785	1,197	(31)	(1,228)
Net change in fund balances	(336)	(336)	(216)	120
Budgetary fund balances - beginning	336	336	(1,255)	(1,591)
Budgetary fund balances - ending	\$ -	\$ -	\$ (1,471)	\$ (1,471)
<u>Explanation of differences between budgetary outflows and GAAP expenditures:</u>				
Expenditures on budgetary basis				\$ 425
Differences - budget to GAAP:				
Less:				
Encumbrances				(3)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances				\$ 422

NONMAJOR ENTERPRISE FUNDS

ENTERPRISE FUNDS:

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is to have the costs of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the County has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Transit District

Accounts for resources used to provide transit services to various areas of the County

Flood Control District

Accounts for resources used to provide control and conservation of flood and storm waters, which are mutually exclusive of Special Revenue Fund

Nacimiento Water Contract

Accounts for the activities and delivery of water associated with the Nacimiento water supply reservoir and the contract with Monterey County.

Lopez Park

Accounts for the operations of the recreational facilities associated with the park next to Lopez Lake.

County Service Areas

Accounts for resources used to provide a variety of services





COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2002 (in thousands)

	Transit District	Flood Control District	Nacimiento Water Contract	Lopez Park
<u>Assets:</u>				
Current assets:				
Cash and cash equivalents	\$ 196	\$ 1,055	\$ 5,590	\$ 427
Accounts receivable, net	18	-	17	-
Other receivables	12	198	1	45
Due from other county funds	-	6	225	-
Deposits with others	-	-	-	-
Total current assets	<u>226</u>	<u>1,259</u>	<u>5,833</u>	<u>472</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable:				
Land	84	-	-	-
Construction in progress	-	-	3,954	102
Depreciable:				
Structures & improvements, net	-	-	-	294
Equipment, net	121	-	-	14
Total noncurrent assets	<u>205</u>	<u>-</u>	<u>3,954</u>	<u>410</u>
Total assets	<u>431</u>	<u>1,259</u>	<u>9,787</u>	<u>882</u>
<u>Liabilities:</u>				
Current liabilities:				
Accounts payable	-	-	-	7
Deposits from others	10	-	-	-
Due to other county funds	79	7	263	59
Deferred revenue	-	-	18	-
Notes and bonds payable - current	-	-	-	-
Total current liabilities	<u>89</u>	<u>7</u>	<u>281</u>	<u>66</u>
Noncurrent liabilities:				
Advances from other funds	-	-	-	-
Notes and bonds payable	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>89</u>	<u>7</u>	<u>281</u>	<u>66</u>
<u>Net assets:</u>				
Invested in capital assets, net of related debt	205	-	3,954	410
Unrestricted	<u>137</u>	<u>1,252</u>	<u>5,552</u>	<u>406</u>
Total net assets	<u>\$ 342</u>	<u>\$ 1,252</u>	<u>\$ 9,506</u>	<u>\$ 816</u>

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2002 (in thousands)

County Service
Areas (8_Funds)

Total

\$ 3,815
130
3
1
13
3,962

\$ 11,083
165
259
232
13
11,752

132
2,263

6,245
39
8,679
12,641

216
6,319

6,539
174
13,248
25,000

14
145
61
71
118
409

21
155
469
89
118
852

256
3,078
3,334
3,743

256
3,078
3,334
4,186

5,483
3,415
\$ 8,898

10,052
10,762
\$ 20,814

Assets:

Current assets:

Cash and cash equivalents
Accounts receivable, net
Other receivables
Due from other county funds
Deposits with others
Total current assets

Noncurrent assets:

Capital assets:

Nondepreciable:

Land
Construction in progress

Depreciable:

Structures & improvements, net
Equipment, net

Total noncurrent assets

Total assets

Liabilities:

Current liabilities:

Accounts payable
Deposits from others
Due to other county funds
Deferred revenue
Notes and bonds payable - current
Total current liabilities

Noncurrent liabilities:

Advances from other funds
Notes and bonds payable
Total noncurrent liabilities
Total liabilities

Net assets

Invested in capital assets, net of related debt
Unrestricted

Total net assets

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Transit District	Flood Control District	Nacimiento Water Contract	Lopez Park
<u>Operating revenues:</u>				
Charges for current services	\$ 53	\$ 474	\$ 31	\$ 1,368
Other operating revenues	-	-	-	-
Total operating revenues	<u>53</u>	<u>474</u>	<u>31</u>	<u>1,368</u>
<u>Operating expenses:</u>				
Salaries and benefits	-	-	-	-
Services and supplies	-	-	490	-
Other charges	570	566	-	1,480
Depreciation	6	-	-	26
Total operating expenses	<u>576</u>	<u>566</u>	<u>490</u>	<u>1,506</u>
Operating income (loss)	<u>(523)</u>	<u>(92)</u>	<u>(459)</u>	<u>(138)</u>
<u>Nonoperating revenues (expenses):</u>				
Property taxes	-	-	671	-
Interest income	3	54	213	90
Aid from governmental agencies	550	-	15	-
Interest expense and fiscal charges	-	-	-	-
Other	-	7	10	5
Total nonoperating revenue (expenses)	<u>553</u>	<u>61</u>	<u>909</u>	<u>95</u>
Income (loss) before contribution and transfers	<u>30</u>	<u>(31)</u>	<u>450</u>	<u>(43)</u>
Transfers in	-	-	-	533
Transfers (out)	-	-	-	(7)
Capital contributions	-	-	-	333
Change in net assets	<u>30</u>	<u>(31)</u>	<u>450</u>	<u>816</u>
Net assets - beginning	312	1,283	9,056	-
Total net assets - ending	<u>\$ 342</u>	<u>\$ 1,252</u>	<u>\$ 9,506</u>	<u>\$ 816</u>

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

County Service Areas (8_Funds)	Total	
<u>\$ 1,693</u>	<u>\$ 3,619</u>	<u>Operating revenues:</u>
<u>26</u>	<u>26</u>	Charges for current services
<u>1,719</u>	<u>3,645</u>	Other operating revenues
		Total operating revenues
		<u>Operating expenses:</u>
14	14	Salaries and benefits
16	506	Services and supplies
1,920	4,536	Other charges
<u>271</u>	<u>303</u>	Depreciation
<u>2,221</u>	<u>5,359</u>	Total operating expenses
<u>(502)</u>	<u>(1,714)</u>	Operating income (loss)
		<u>Nonoperating revenues (expenses):</u>
224	895	Property taxes
163	523	Interest income
3	568	Aid from governmental agencies
(108)	(108)	Interest expense
<u>(23)</u>	<u>(1)</u>	Other
<u>259</u>	<u>1,877</u>	Total nonoperating revenue (expenses)
		Income (loss) before contribution
<u>(243)</u>	<u>163</u>	and transfers
		Transfers in
493	1,026	Transfers (out)
(40)	(47)	Capital contributions
-	333	Change in net assets
<u>210</u>	<u>1,475</u>	
		Net assets - beginning
8,688	19,339	
<u>\$ 8,898</u>	<u>\$ 20,814</u>	Total net assets - ending

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Transit District	Flood Control District	Nacimiento Water Contract	Lopez Park
<u>Cash flows from operating activities:</u>				
Receipts from customers, patients, third parties	\$ 25	\$ 395	\$ 31	\$ 1,376
Cash received from other sources	42	-	-	-
Payments for goods and services	(568)	(597)	(490)	(1,446)
Payments to other sources	-	-	(4)	-
Net cash provided (used) by operating activities	(501)	(202)	(463)	(70)
<u>Cash flows from noncapital financing activities:</u>				
Property tax proceeds	-	-	671	-
Grants and subsidies from other gov't agencies	550	-	25	-
Operating transfers from other funds	-	-	-	-
Operating transfers to other funds	-	-	-	(7)
Net cash provided(used) by capital and related financing activities	550	-	696	(7)
<u>Cash flows from capital and related financing activities:</u>				
Purchases and construction of capital assets	-	-	(291)	(102)
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Capital contributions	-	-	-	-
Other receipts (payments)	-	-	-	5
Net cash provided(used) by capital and related financing activities	-	-	(291)	(97)
<u>Cash flows from investing activities:</u>				
Interest received	-	54	214	91
Other investing activities	3	7	-	-
Net cash provided(used) by investing activities	3	61	214	91
Net (decrease) in cash and cash equivalents	52	(141)	156	(83)
Total cash and cash equivalents, beginning of year	144	1,196	5,434	510
Total cash and cash equivalents, end of year	\$ 196	\$ 1,055	\$ 5,590	\$ 427
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>				
Operating income (loss)	\$ (523)	\$ (92)	\$ (459)	\$ (138)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	6	-	-	26
Change in assets and liabilities:				
Receivables, net	(27)	(79)	11	-
Other receivables	-	-	-	8
Accounts payable	1	(31)	(15)	-
Other accrued liabilities	42	-	-	34
Total adjustments	22	(110)	(4)	68
Net cash provided by operating activities	\$ (501)	\$ (202)	\$ (463)	\$ (70)

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

County Service Areas (8_Funds)	Total Non-Major Enterprise Funds	
\$ 1,719	\$ 3,546	<u>Cash flows from operating activities:</u>
-	42	Receipts from customers, patients, third parties
(1,945)	(5,046)	Cash received from other sources
-	(4)	Payments for goods and services
(226)	(1,462)	Payments to other sources
		Net cash provided by operating activities
		<u>Cash flows from noncapital financing activities:</u>
223	894	Property tax proceeds
6	581	Grants and subsidies from other gov't agencies
23	23	Operating transfers from other funds
429	422	Operating transfers to other funds
681	1,920	Net cash used by capital and related financing activities
		<u>Cash flows from capital and related financing activities:</u>
(706)	(1,099)	Purchases and construction of capital assets
(662)	(662)	Principal paid on capital debt
(109)	(109)	Interest paid on capital debt
(4)	(4)	Capital contributions
531	536	Other receipts (payments)
(950)	(1,338)	Net cash used by capital and related financing activities
		<u>Cash flows from investing activities:</u>
163	522	Interest received
-	10	Other investing activities
163	532	Net cash provided(used) by investing activities
(332)	(348)	Net (decrease) in cash and cash equivalents
4,147	11,431	Total cash and cash equivalents, beginning of year
\$ 3,815	\$ 11,083	Total cash and cash equivalents, end of year
		<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>
\$ (502)	\$ (1,714)	Operating income (loss)
		Adjustments to reconcile operating income to net cash provided by operating activities:
271	303	Depreciation expense
(321)	(416)	Change in assets and liabilities:
13	21	Receivables, net
248	203	Other receivables
65	141	Accounts payable
276	252	Other accrued liabilities
		Total adjustments
\$ (226)	\$ (1,462)	Net cash provided by operating activities



INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS:

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments on a cost-reimbursement basis. Internal Service Funds used at the County are listed below:

Reprographics

Accounts for resources used to provide centralized reprographic services to various County departments and other governmental agencies

Garage

Accounts for resources used to provide a vehicle fleet of cars, trucks, and police vehicles for use by various County departments at the lowest possible maintenance and operating costs

Public Works

Accounts for resources used to provide comprehensive Engineering services in the form of manpower, equipment and contractual services and supplies to all budgets, departments, agencies, and private citizens as requested or required by state law or local ordinance

Insurance Funds

Accounts for the operations of the County's Workers' Compensation, Protected Self-Insurance, Unemployment, and Dental Insurance programs





COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2002 (in thousands)

	Reprographics	Garage	Public Works	Insurance Funds
<u>Assets:</u>				
Current assets:				
Cash and cash equivalents	\$ 92	\$ 1,716	\$ 6,802	\$ 22,447
Accounts receivable, net	-	-	3	-
Other receivables	-	38	53	-
Due from other county funds	-	-	1,218	-
Inventory	6	40	318	-
Total current assets	98	1,794	8,394	22,447
Noncurrent assets:				
Capital assets:				
Depreciable:				
Structures & improvements, net	-	608	162	-
Equipment, net	129	4,915	4,660	-
Total noncurrent assets	129	5,523	4,822	-
Total assets	227	7,317	13,216	22,447
<u>Liabilities:</u>				
Current liabilities:				
Accounts payable	26	104	1,126	7
Self insurance payable	-	-	-	5,290
Deposits from others	-	-	165	-
Due to other county funds	-	-	12	2
Salaries and benefits payable	4	10	229	-
Total current liabilities	30	114	1,532	5,299
Noncurrent liabilities:				
Self insurance liability	-	-	-	15,865
Accrued vacation and sick leave	22	42	1,218	-
Total noncurrent liabilities	22	42	1,218	15,865
Total liabilities	52	156	2,750	21,164
<u>Net assets:</u>				
Invested in capital assets, net of related debt	129	5,523	4,822	-
Unrestricted	46	1,638	5,644	1,283
Total net assets	\$ 175	\$ 7,161	\$ 10,466	\$ 1,283

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2002 (in thousands)

<u>Total</u>	
\$	31,057
	3
	91
	1,218
	364
	<u>32,733</u>

	770
	9,704
	<u>10,474</u>
	<u>43,207</u>

	1,263
	5,290
	165
	14
	243
	<u>6,975</u>

	15,865
	1,282
	<u>17,147</u>
	<u>24,122</u>

	10,474
	<u>8,611</u>

\$	<u><u>19,085</u></u>
----	----------------------

Assets:

Current assets:

Cash and cash equivalents

Accounts receivable, net

Other receivables

Due from other county funds

Inventory

Total current assets

Noncurrent assets:

Capital assets:

Depreciable:

Structures & improvements, net

Equipment, net

Total noncurrent assets

Total assets

Liabilities:

Current liabilities:

Accounts payable

Self insurance payable

Deposits from others

Due to other county funds

Salaries and benefits payable

Total current liabilities

Noncurrent liabilities:

Self insurance liability

Accrued vacation and sick leave

Total noncurrent liabilities

Total liabilities

Net assets:

Invested in capital assets, net of related debt

Unrestricted

Total net assets

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Reprographics	Garage	Public Works	Combined Insurance (4 funds)
<u>Operating revenues:</u>				
Charges for current services	\$ 594	\$ 3,051	\$ 45,998	\$ 7,207
Total operating revenues	<u>594</u>	<u>3,051</u>	<u>45,998</u>	<u>7,207</u>
<u>Operating expenses:</u>				
Salaries and benefits	204	531	11,826	-
Services and supplies	364	1,258	33,172	1,801
Insurance benefit payments	-	-	218	9,368
Insurance premiums	-	-	-	391
Depreciation	33	1,104	595	-
Countywide cost allocation	54	108	1,263	358
Total operating expenses	<u>655</u>	<u>3,001</u>	<u>47,074</u>	<u>11,918</u>
Operating income (loss)	<u>(61)</u>	<u>50</u>	<u>(1,076)</u>	<u>(4,711)</u>
<u>Nonoperating revenues (expenses):</u>				
Interest income	5	51	259	889
Gain (loss) on sale of assets	(2)	(168)	88	-
Other	-	(44)	-	-
Total nonoperating revenue (expenses)	<u>3</u>	<u>(161)</u>	<u>347</u>	<u>889</u>
Income (loss) before contribution and transfers	<u>(58)</u>	<u>(111)</u>	<u>(729)</u>	<u>(3,822)</u>
Capital contributions	-	615	172	-
Change in net assets	<u>(58)</u>	<u>504</u>	<u>(557)</u>	<u>(3,822)</u>
Net assets - beginning	<u>233</u>	<u>6,657</u>	<u>11,023</u>	<u>5,105</u>
Total net assets - ending	<u>\$ 175</u>	<u>\$ 7,161</u>	<u>\$ 10,466</u>	<u>\$ 1,283</u>

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

Total Internal Service Funds	
\$ 56,850	
<u>56,850</u>	
12,561	
36,595	
9,586	
391	
1,732	
<u>1,783</u>	
<u>62,648</u>	
<u>(5,798)</u>	
1,204	
(82)	
(44)	
<u>1,078</u>	
<u>(4,720)</u>	
<u>787</u>	
<u>(3,933)</u>	
<u>23,018</u>	
<u>\$ 19,085</u>	

Operating revenues:

Charges for current services

Total operating revenues

Operating expenses:

Salaries and benefits

Services and supplies

Insurance benefit payments

Insurance premiums

Depreciation

Countywide cost allocation

Total operating expenses

Operating income (loss)

Nonoperating revenues (expenses):

Interest income

Gain (loss) on sale of assets

Other

Total nonoperating revenue (expenses)

Income (loss) before contribution
and transfers

Capital contributions

Change in net assets

Net assets - beginning

Total net assets - ending

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Reprographics	Garage	Public Works	Insurance (4 Funds)
<u>Cash flows from operating activities:</u>				
Receipts from interfund billings	\$ 594	\$ 3,071	\$ 45,763	\$ 7,207
Payments for goods and services	(420)	(1,342)	(34,654)	(2,157)
Payments to employees for service	(202)	(524)	(11,764)	-
Payments for insurance benefits	-	-	-	(6,851)
Payments for premiums	-	-	-	(391)
Net cash provided (used) by operating activities	(28)	1,205	(655)	(2,192)
<u>Cash flows from noncapital financing activities:</u>				
Net cash (used) by capital and related financing activities	-	-	-	-
<u>Cash flows from capital and related financing activities:</u>				
Purchases and construction of capital assets	(84)	(1,011)	(1,033)	-
Proceeds from sale of capital assets	-	162	140	-
Capital contributions	-	-	172	-
Net cash provided(used) by capital and related financing activities	(84)	(849)	(721)	-
<u>Cash flows from investing activities:</u>				
Interest received	5	51	258	889
Net cash provided(used) by investing activities	5	51	258	889
Net increase (decrease) in cash and cash equivalents	(107)	407	(1,118)	(1,303)
Total cash and cash equivalents, beginning of year	199	1,309	7,920	23,750
Total cash and cash equivalents, end of year	\$ 92	\$ 1,716	\$ 6,802	\$ 22,447
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>				
Operating income (loss)	\$ (61)	\$ 50	\$ (1,076)	\$ (4,711)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	33	1,104	595	-
Other nonoperating revenue (expense)	-	58	-	-
Change in assets and liabilities:				
Receivables, net	-	(38)	(236)	-
Inventory	3	32	(45)	-
Accounts payable	(4)	(9)	24	4
Accrued payroll liabilities	-	2	26	-
Accrued vacation	1	6	36	-
Self insurance liability	-	-	-	2,515
Other accrued liabilities	-	-	21	-
Total adjustments	33	1,155	421	2,519
Net cash provided (used) by operating activities	\$ (28)	\$ 1,205	\$ (655)	\$ (2,192)

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

Total	
\$	56,635
	(38,573)
	(12,490)
	(6,851)
	(391)
	<u>(1,670)</u>

-

	(2,128)
	302
	<u>172</u>
	<u>(1,654)</u>

	<u>1,203</u>
	<u>1,203</u>

(2,121)

33,178

\$ 31,057

\$ (5,798)

1,732
58

(274)
(10)

15
28

43
2,515

21
4,128

\$ (1,670)

Cash flows from operating activities:

Receipts from interfund billings
Payments for goods and services
Payments to employees for service
Payments for insurance benefits
Payments for premiums
Net cash provided (used) by operating activities

Cash flows from noncapital financing activities:

Net cash (used) by capital and
related financing activities

Cash flows from capital and related
financing activities:

Purchases and construction of capital assets
Proceeds from sale of capital assets
Capital contributions
Net cash provided(used) by capital and
related financing activities

Cash flows from investing activities:

Interest received
Net cash provided(used) by investing activities

Net increase (decrease) in cash and
cash equivalents

Total cash and cash equivalents, beginning of year

Total cash and cash equivalents, end of year

Reconciliation of operating income (loss) to net
cash provided (used) by operating activities:

Operating income (loss)
Adjustments to reconcile operating income to net
cash provided (used) by operating activities:

Depreciation expense
Other nonoperating revenue (expense)

Change in assets and liabilities:

Receivables, net
Inventory
Accounts payable
Accrued payroll liabilities
Accrued vacation
Self insurance liability
Other accrued liabilities

Total adjustments

Net cash provided (used) by operating activities

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS - INSURANCE
 JUNE 30, 2002 (in thousands)

	Workers' Compensation	Protected Self-Insurance	Unemployment Insurance	Dental Insurance
<u>Assets:</u>				
Current assets:				
Cash and cash equivalents	\$ 14,102	\$ 6,149	\$ 1,577	\$ 619
Total current assets	14,102	6,149	1,577	619
Total assets	14,102	6,149	1,577	619
<u>Liabilities:</u>				
Current liabilities:				
Accounts payable	7	-	-	-
Self insurance payable	3,376	1,295	-	619
Due to other county funds	1	1	-	-
Total current liabilities	3,384	1,296	-	619
Noncurrent liabilities:				
Self insurance liability	11,189	3,099	1,577	-
Total noncurrent liabilities	11,189	3,099	1,577	-
Total liabilities	14,573	4,395	1,577	619
<u>Net assets:</u>				
Unrestricted	(471)	1,754	-	-
Total net assets	\$ (471)	\$ 1,754	\$ -	\$ -

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS - INSURANCE
 JUNE 30, 2002 (in thousands)

<u>Total</u> <u>Insurance Funds</u>	
\$	22,447
	<u>22,447</u>
	<u>22,447</u>
	7
	5,290
	<u>2</u>
	<u>5,299</u>
	15,865
	<u>15,865</u>
	<u>21,164</u>
	1,283
	<u>1,283</u>
\$	<u>1,283</u>

Assets:
 Current assets:
 Cash and investments
 Total current assets
 Total assets

Liabilities:
 Current liabilities:
 Accounts payable
 Self insurance payable
 Due to other county funds
 Total current liabilities
 Noncurrent liabilities:
 Self insurance liability
 Total noncurrent liabilities
 Total liabilities

Net assets:
 Unrestricted

 Total net assets

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS - INSURANCE
 FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Workers' Compensation	Protected Self-Insurance	Unemployment Insurance	Dental Insurance
<u>Operating revenues:</u>				
Charges for current services	\$ 4,806	\$ 847	\$ 134	\$ 1,420
Total operating revenues	<u>4,806</u>	<u>847</u>	<u>134</u>	<u>1,420</u>
<u>Operating expenses:</u>				
Services and supplies	816	854	2	129
Insurance benefit payments	6,509	1,359	192	1,308
Insurance premiums	143	248	-	-
Countywide cost allocation	266	89	-	3
Total operating expenses	<u>7,734</u>	<u>2,550</u>	<u>194</u>	<u>1,440</u>
Operating income (loss)	<u>(2,928)</u>	<u>(1,703)</u>	<u>(60)</u>	<u>(20)</u>
<u>Nonoperating revenues (expenses):</u>				
Interest income	547	262	60	20
Total nonoperating revenue (expenses)	<u>547</u>	<u>262</u>	<u>60</u>	<u>20</u>
Income (loss) before contribution and transfers	<u>(2,381)</u>	<u>(1,441)</u>	<u>-</u>	<u>-</u>
Change in net assets	(2,381)	(1,441)	-	-
Net assets - beginning	<u>1,910</u>	<u>3,195</u>	<u>-</u>	<u>-</u>
Total net assets - ending	<u>\$ (471)</u>	<u>\$ 1,754</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS - INSURANCE
 FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

Total Insurance Funds	
\$	7,207
	<u>7,207</u>
	1,801
	9,368
	391
	<u>358</u>
	<u>11,918</u>
	<u>(4,711)</u>
	889
	<u>889</u>
	<u>(3,822)</u>
	(3,822)
	<u>5,105</u>
\$	<u><u>1,283</u></u>

Operating revenues:

Charges for current services
 Total operating revenues

Operating expenses:

Services and supplies
 Insurance benefit payments
 Insurance premiums
 Countywide cost allocation
 Total operating expenses
 Operating income (loss)

Nonoperating revenues (expenses):

Interest income
 Total nonoperating revenue (expenses)
 Income (loss) before contribution
 and transfers

Change in net assets

Net assets - beginning

Total net assets - ending

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS - INSURANCE
 FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

	Workers' Compensation	Protected Self-Insurance	Unemployment Insurance	Dental Insurance
<u>Cash flows from operating activities:</u>				
Receipts from interfund billings	\$ 4,806	\$ 847	\$ 134	\$ 1,420
Payments for goods and services	(1,081)	(942)	(2)	(132)
Payments for insurance benefits	(4,402)	(1,195)	(150)	(1,104)
Payments for premiums	(143)	(248)	-	-
Net cash provided (used) by operating activities	(820)	(1,538)	(18)	184
<u>Cash flows from noncapital financing activities:</u>				
Net cash provided (used) by noncapital financing activities	-	-	-	-
<u>Cash flows from capital and related financing activities:</u>				
Net cash used by capital and related financing activities	-	-	-	-
<u>Cash flows from investing activities:</u>				
Interest received	547	262	60	20
Net cash provided (used) by investing activities	547	262	60	20
Net (decrease) in cash and cash equivalents	(273)	(1,276)	42	204
Total cash and cash equivalents, beginning of year	14,375	7,425	1,535	415
Total cash and cash equivalents, end of year	<u>\$ 14,102</u>	<u>\$ 6,149</u>	<u>\$ 1,577</u>	<u>\$ 619</u>
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>				
Operating income (loss)	<u>\$ (2,928)</u>	<u>\$ (1,703)</u>	<u>\$ (60)</u>	<u>\$ (20)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:				
Change in assets and liabilities:				
Accounts payable	3	1	-	-
Self insurance liability	2,105	164	42	204
Total adjustments	<u>2,108</u>	<u>165</u>	<u>42</u>	<u>204</u>
Net cash provided (used) by operating activities	<u>\$ (820)</u>	<u>\$ (1,538)</u>	<u>\$ (18)</u>	<u>\$ 184</u>

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS - INSURANCE
 FOR THE YEAR ENDED JUNE 30, 2002 (in thousands)

Total
Insurance Funds

\$	7,207
	(2,157)
	(6,851)
	(391)
	<u>(2,192)</u>

-

-

	889
	<u>889</u>

(1,303)

23,750

\$	<u>22,447</u>
----	---------------

\$	<u>(4,711)</u>
----	----------------

4

2,515

2,519

\$	<u>(2,192)</u>
----	----------------

Cash flows from operating activities:

Receipts from interfund billings
 Payments for goods and services
 Payments for insurance benefits
 Payments for premiums
 Net cash provided (used) by operating activities

Cash flows from noncapital financing activities:

Net cash provided (used) by noncapital
 financing activities

Cash flows from capital and related
 financing activities:

Net cash used by capital and related
 financing activities

Cash flows from investing activities:

Interest received
 related investing activities

Net (decrease) in cash and cash equivalents

Total cash and cash equivalents, beginning of year

Total cash and cash equivalents, end of year

Reconciliation of operating income (loss) to net
 cash provided (used) by operating activities:

Operating income (loss)
 Adjustments to reconcile operating income to net
 cash provided by operating activities:
 Change in assets and liabilities:
 Accounts payable
 Self insurance liability
 Total adjustments
 Net cash provided (used) by operating activities



FIDUCIARY FUNDS

AGENCY FUNDS:

These funds account for assets held by the County as an agent for various local governments. The County has the following types of Agency Funds:

1915 Act

Accounts for temporary holding of funds for tax assessment areas created under the 1915 Improvement Act.

Clearing Funds

Serves as a temporary holding fund for subsequent disposition to an outside agency or taxing authority.

Other Funds

Accounts for temporary holding of funds that are not specifically classified in other agency categories.

INVESTMENT TRUST FUNDS

These funds are used by the County to account for the assets of legally separate entities who deposit cash with the County Treasurer. These include school and community college districts, other special districts governed by local boards, regional boards and authorities, courts and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. The County combines Investment Trust Funds into four reporting types because of their similar nature: School Districts (187 funds), Special Districts (30 funds), Courts (7 funds), and Other Local Boards (15 funds)



COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2002 (in thousands)

	Clearing Funds (61 Funds)	1915 Act Service Funds (21 Funds)	Other Agency Funds (29 Funds)	Total Agency Funds
<u>Assets:</u>				
Cash and cash equivalents	\$ 17,091	\$ 2,794	\$ 19,517	\$ 39,402
	<u>17,091</u>	<u>2,794</u>	<u>19,517</u>	<u>39,402</u>
<u>Liabilities:</u>				
Agency obligations	17,091	2,794	19,517	39,402
	<u>\$ 17,091</u>	<u>\$ 2,794</u>	<u>\$ 19,517</u>	<u>\$ 39,402</u>

COUNTY OF SAN LUIS OBISPO
COMBING STATEMENT OF FIDUCIARY NETS ASSETS
INVESTMENT TRUST FUNDS
JUNE 30, 2002 (in thousands)

	School Districts (187 Funds)	Special Districts (30 Funds)	Courts (7 Funds)	Other Local Boards (14 Funds)
<u>Assets:</u>				
Cash and cash equivalents	\$ 104,827	\$ 10,139	\$ 11,551	\$ 12,031
	<u>104,827</u>	<u>10,139</u>	<u>11,551</u>	<u>12,031</u>
 <u>Net assets:</u>				
Funds held in trust for investment pool participants	<u>104,827</u>	<u>10,139</u>	<u>11,551</u>	<u>12,031</u>
	<u>\$ 104,827</u>	<u>\$ 10,139</u>	<u>\$ 11,551</u>	<u>\$ 12,031</u>

COUNTY OF SAN LUIS OBISPO
COMBING STATEMENT OF FIDUCIARY NETS ASSETS
INVESTMENT TRUST FUNDS
JUNE 30, 2002 (in thousands)

Total Investment Trust Funds
<hr/>
\$ 138,548
<hr/>
138,548
<hr/>

138,548
<hr/>
\$ 138,548
<hr/>
<hr/>

Assets

Cash and cash equivalents

Net assets

Funds held in trust for investment
pool participants

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NETS ASSETS
 INVESTMENT TRUST FUNDS
 FOR FISCAL YEAR ENDED JUNE 30, 2002 (in thousands)

	School Districts (187 Funds)	Special Districts (30 Funds)	Courts (7 Funds)	Other Local Boards (14 Funds)
<u>Additions:</u>				
Contributions to pooled investments	\$ 733,667	\$ 5,294	\$ 35,456	\$ 17,009
Interest	3,668	351	171	299
Total additions	<u>737,335</u>	<u>5,645</u>	<u>35,627</u>	<u>17,308</u>
<u>Deductions:</u>				
Distributions from investment pool	<u>755,757</u>	<u>6,758</u>	<u>24,196</u>	<u>16,975</u>
Total deductions	<u>755,757</u>	<u>6,758</u>	<u>24,196</u>	<u>16,975</u>
Change in net assets	<u>(18,422)</u>	<u>(1,113)</u>	<u>11,431</u>	<u>333</u>
Net assets - beginning	<u>123,249</u>	<u>11,252</u>	<u>120</u>	<u>11,698</u>
Net assets - ending	<u>\$ 104,827</u>	<u>\$ 10,139</u>	<u>\$ 11,551</u>	<u>\$ 12,031</u>

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NETS ASSETS
 INVESTMENT TRUST FUNDS
 FOR FISCAL YEAR ENDED JUNE 30, 2002 (in thousands)

Total Investment Trust Funds	
\$	791,426
	4,489
	<u>795,915</u>
	 803,686
	<u>803,686</u>
	 (7,771)
	<u>146,319</u>
\$	<u>138,548</u>

Additions:

Contributions to pooled investments

Interest

Total additions

Deductions:

Distributions from investment pool

Total deductions

Change in net assets

Net assets - beginning

Net assets - ending



DETAIL BUDGET SCHEDULES



GENERAL FUND DETAIL BUDGET SCHEDULE

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (in thousands)
FOR THE YEAR ENDED JUNE 30, 2002

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Actual to Adjusted Budget Over (Under)
GENERAL				
<u>Legislative and Administrative</u>				
Administrative Office				
Salaries Wages Benefits	\$ 1,165	\$ 1,165	\$ 1,121	\$ (44)
Services and Supplies	215	215	162	(53)
Other Charges	23	23	23	-
Exp Tfrs & Reimbursement	(68)	(68)	(67)	1
Total	1,335	1,335	1,239	(96)
Board of Supervisors				
Salaries Wages Benefits	800	879	877	(2)
Services and Supplies	243	243	230	(13)
Total	1,043	1,122	1,107	(15)
Clerk/Recorder				
Salaries Wages Benefits	1,167	1,248	1,241	(7)
Services and Supplies	1,390	1,425	1,378	(47)
Fixed Assets - Equipment	88	88	83	(5)
Exp Tfrs & Reimbursement	-	-	(1)	(1)
Total	2,645	2,761	2,701	(60)
Total Legislative and Administrative	5,023	5,218	5,047	(171)
<u>Finance</u>				
Assessor				
Salaries Wages Benefits	4,741	4,955	4,877	(78)
Services and Supplies	725	1,059	706	(353)
Fixed Assets - Equipment	-	63	-	(63)
Total	5,466	6,077	5,583	(494)
Auditor-Controller				
Salaries Wages Benefits	2,636	2,706	2,703	(3)
Services and Supplies	554	714	671	(43)
Fixed Assets - Equipment	27	27	27	-
Exp Tfrs & Reimbursement	(98)	(98)	(105)	(7)
Total	3,119	3,349	3,296	(53)
Treas-Tax Coll-Public Adm				
Salaries Wages Benefits	1,550	1,586	1,567	(19)
Services and Supplies	338	329	317	(12)
Fixed Assets - Equipment	17	17	17	-
Total	1,905	1,932	1,901	(31)
Total Finance	10,490	11,358	10,780	(578)

Continued on next page

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (in thousands)
FOR THE YEAR ENDED JUNE 30, 2002

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Actual to Adjusted Budget Over (Under)
<u>Counsel</u>				
County Counsel				
Salaries Wages Benefits	2,375	2,521	2,521	-
Services and Supplies	266	366	366	-
Total	2,641	2,887	2,887	-
Total Counsel	2,641	2,887	2,887	-
<u>Personnel</u>				
Personnel				
Salaries Wages Benefits	1,340	1,404	1,395	(9)
Services and Supplies	344	468	451	(17)
Fixed Assets - Equipment	-	8	7	(1)
Exp Tfrs & Reimbursement	(2)	(2)	(4)	(2)
Total	1,682	1,878	1,849	(29)
Total Personnel	1,682	1,878	1,849	(29)
<u>Property Management</u>				
General Services				
Salaries Wages Benefits	5,461	5,721	5,706	(15)
Services and Supplies	3,890	3,932	3,893	(39)
Other Charges	29	36	25	(11)
Fixed Assets - Land	61	61	62	1
Fixed Assets - Equipment	5	5	5	-
Exp Tfrs & Reimbursement	(1,183)	(1,183)	(1,167)	16
Total	8,263	8,572	8,524	(48)
Maintenance Projects				
Services and Supplies	2,209	3,670	3,640	(30)
Other Charges	50	200	50	(150)
Exp Tfrs & Reimbursement	-	(60)	(17)	43
Total	2,259	3,810	3,673	(137)
Operations Center				
Services and Supplies	592	592	544	(48)
Fixed Assets - Equipment	9	9	-	(9)
Total	601	601	544	(57)
Total Property Management	11,123	12,983	12,741	(242)
<u>Other General</u>				
Development Services				
Services and Supplies	953	953	769	(184)
Total	953	953	769	(184)

Continued on next page

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (in thousands)
FOR THE YEAR ENDED JUNE 30, 2002

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Actual to Adjusted Budget Over (Under)
Information Services				
Salaries Wages Benefits	8,515	8,842	8,763	(79)
Services and Supplies	4,315	4,438	3,702	(736)
Fixed Assets - Equipment	263	235	204	(31)
Exp Tfrs & Reimbursement	(4,086)	(4,121)	(4,073)	48
Total	9,007	9,394	8,596	(798)
Retirement Plans				
Salaries Wages Benefits	467	467	144	(323)
Services and Supplies	614	614	203	(411)
Total	1,081	1,081	347	(734)
Risk Management				
Salaries Wages Benefits	427	442	439	(3)
Services and Supplies	572	611	599	(12)
Exp Tfrs & Reimbursement	(22)	(22)	(24)	(2)
Total	977	1,031	1,014	(17)
Non-Department Financing Uses				
Exp Tfrs & Reimbursement	(6,714)	(6,714)	(6,722)	(8)
Total	(6,714)	(6,714)	(6,722)	(8)
Services to Spcl Districts				
Services and Supplies	355	355	354	(1)
Total	355	355	354	(1)
Total Other General	5,659	6,100	4,358	(1,742)
TOTAL GENERAL	36,618	40,424	37,662	(2,762)

PUBLIC PROTECTION

Judicial

Court Operations Fund

Services and Supplies	240	240	240	-
Other Charges	2,037	2,037	2,037	-
Total	2,277	2,277	2,277	-

District Attorney

Salaries Wages Benefits	6,860	7,304	7,286	(18)
Services and Supplies	923	923	903	(20)
Exp Tfrs & Reimbursement	(434)	(434)	(434)	-
Total	7,349	7,793	7,755	(38)

Continued on next page

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (in thousands)
FOR THE YEAR ENDED JUNE 30, 2002

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Actual to Adjusted Budget Over (Under)
Family Support				
Salaries Wages Benefits	2,952	2,952	2,924	(28)
Services and Supplies	2,119	2,091	1,990	(101)
Fixed Assets - Equipment	34	62	58	(4)
Total	5,105	5,105	4,972	(133)
Grand Jury				
Salaries Wages Benefits	13	13	12	(1)
Services and Supplies	71	71	70	(1)
Total	84	84	82	(2)
Public Defender				
Services and Supplies	3,782	4,019	3,999	(20)
Total	3,782	4,019	3,999	(20)
Total Judicial	18,597	19,278	19,085	(193)
<u>Police Protection</u>				
Sheriff-Coroner				
Salaries Wages Benefits	27,316	28,257	28,149	(108)
Services and Supplies	3,777	3,837	3,732	(105)
Other Charges	-	367	367	-
Fixed Assets - Equipment	289	1,380	362	(1,018)
Exp Tfrrs & Reimbursement	(60)	(60)	(114)	(54)
Total	31,322	33,781	32,496	(1,285)
Total Police Protection	31,322	33,781	32,496	(1,285)
<u>Detention and Correction</u>				
Probation Department				
Salaries Wages Benefits	7,728	8,524	8,427	(97)
Services and Supplies	3,176	3,919	3,812	(107)
Other Charges	55	25	25	-
Fixed Assets - Equipment	70	78	78	-
Exp Tfrrs & Reimbursement	(214)	(422)	(592)	(170)
Total	10,815	12,124	11,750	(374)
Total Detention and Correction	10,815	12,124	11,750	(374)

Continued on next page

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (in thousands)
FOR THE YEAR ENDED JUNE 30, 2002

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Actual to Adjusted Budget Over (Under)
<u>Fire Protection</u>				
County Fire				
Services and Supplies	7,401	7,956	7,479	(477)
Fixed Assets - Building	944	944	-	(944)
Fixed Assets - Equipment	1,021	1,187	979	(208)
Total	9,366	10,087	8,458	(1,629)
Total Fire Protection	9,366	10,087	8,458	(1,629)
<u>Protective Inspection</u>				
Agricultural Commissioner				
Salaries Wages Benefits	2,709	2,789	2,776	(13)
Services and Supplies	773	794	732	(62)
Fixed Assets - Equipment	8	8	6	(2)
Total	3,490	3,591	3,514	(77)
Total Protective Inspection	3,490	3,591	3,514	(77)
<u>Other Protection</u>				
Animal Services				
Salaries Wages Benefits	990	990	923	(67)
Services and Supplies	499	499	460	(39)
Total	1,489	1,489	1,383	(106)
Emergency Services				
Salaries Wages Benefits	424	424	412	(12)
Services and Supplies	385	396	266	(130)
Fixed Assets - Equipment	8	47	8	(39)
Total	817	867	686	(181)
Intergovtl Services/LAFCO				
Services and Supplies	132	132	132	-
Total	132	132	132	-
Planning Department				
Salaries Wages Benefits	6,770	6,833	6,833	-
Services and Supplies	3,660	3,831	3,758	(73)
Other Charges	1,966	1,966	856	(1,110)
Fixed Assets - Equipment	78	78	67	(11)
Total	12,474	12,708	11,514	(1,194)

Continued on next page

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (in thousands)
FOR THE YEAR ENDED JUNE 30, 2002

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Actual to Adjusted Budget Over (Under)
Waste Management				
Services and Supplies	456	456	368	(88)
Total	456	456	368	(88)
Total Other Protection	15,368	15,652	14,083	(1,569)
TOTAL PUBLIC PROTECTION	88,958	94,513	89,386	(5,127)
HEALTH AND SANITATION				
<u>Health</u>				
Drug & Alcohol Services				
Salaries Wages Benefits	2,948	3,395	3,168	(227)
Services and Supplies	1,241	1,719	1,638	(81)
Other Charges	813	813	782	(31)
Exp Tfrs & Reimbursement	(865)	(935)	(952)	(17)
Total	4,137	4,992	4,636	(356)
Health Agency				
Salaries Wages Benefits	10,030	10,159	10,013	(146)
Services and Supplies	5,561	5,695	5,036	(659)
Other Charges	99	129	129	-
Fixed Assets - Equipment	7	14	14	-
Exp Tfrs & Reimbursement	(224)	(319)	(311)	8
Total	15,473	15,678	14,881	(797)
Mental Health				
Salaries Wages Benefits	11,181	11,171	10,991	(180)
Services and Supplies	9,250	10,800	10,690	(110)
Other Charges	39	39	30	(9)
Fixed Assets - Equipment	-	47	45	(2)
Exp Tfrs & Reimbursement	(2,412)	(2,886)	(2,275)	611
Total	18,058	19,171	19,481	310
Total Health	37,668	39,841	38,998	(843)
TOTAL HEALTH AND SANITATION	37,668	39,841	38,998	(843)

Continued on next page

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (in thousands)
FOR THE YEAR ENDED JUNE 30, 2002

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Actual to Adjusted Budget Over (Under)
PUBLIC ASSISTANCE				
<u>Administration</u>				
Department of Social Services				
Salaries Wages Benefits	23,549	23,951	23,950	(1)
Services and Supplies	11,982	12,780	12,711	(69)
Other Charges	7,242	7,479	7,410	(69)
Fixed Assets - Equipment	342	328	328	-
Exp Tfrrs & Reimbursement	(199)	(265)	(208)	57
Total	42,916	44,273	44,191	(82)
Total Administration	42,916	44,273	44,191	(82)
<u>Aid Programs</u>				
Aid Foster Care Non-Fed				
Services and Supplies	846	897	897	-
Other Charges	9,997	11,430	11,429	(1)
Total	10,843	12,327	12,326	(1)
Calworks Assistance				
Other Charges	9,949	9,949	9,791	(158)
Total	9,949	9,949	9,791	(158)
Total Aid Programs	20,792	22,276	22,117	(159)
<u>Medical Services</u>				
Medical Assistance Prog				
Other Charges	-	1,830	1,830	-
Total	-	1,830	1,830	-
Total Medical Services	-	1,830	1,830	-
<u>General Relief</u>				
General Relief				
Services and Supplies	152	152	153	1
Other Charges	525	525	459	(66)
Total	677	677	612	(65)
Total General Relief	677	677	612	(65)

Continued on next page

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (in thousands)
FOR THE YEAR ENDED JUNE 30, 2002

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Actual to Adjusted Budget Over (Under)
<u>Veterans Service</u>				
Veterans Service				
Salaries Wages Benefits	196	231	231	-
Services and Supplies	26	26	22	(4)
Total	222	257	253	(4)
Total Veterans Service	222	257	253	(4)
<u>Other Assistance</u>				
Boards, Comm, Com Projects				
Services and Supplies	2,095	2,997	2,970	(27)
Total	2,095	2,997	2,970	(27)
Law Enforcement Med Care				
Salaries Wages Benefits	956	956	932	(24)
Services and Supplies	332	332	327	(5)
Exp Tfrrs & Reimbursement	(287)	(287)	(297)	(10)
Total	1,001	1,001	962	(39)
Victim/Witness Assistance				
Salaries Wages Benefits	839	857	779	(78)
Services and Supplies	178	248	192	(56)
Total	1,017	1,105	971	(134)
Total Other Assistance	4,113	5,103	4,903	(200)
TOTAL PUBLIC ASSISTANCE	68,720	74,416	73,906	(510)
EDUCATION				
<u>Agricultural Education</u>				
Farm Advisor				
Salaries Wages Benefits	196	201	201	-
Services and Supplies	75	70	68	(2)
Total	271	271	269	(2)
Total Agricultural Education	271	271	269	(2)
TOTAL EDUCATION	271	271	269	(2)

Continued on next page

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (in thousands)
FOR THE YEAR ENDED JUNE 30, 2002

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Actual to Adjusted Budget Over (Under)
DEBT SERVICE				
<u>Interest on Notes and Warrants</u>				
Short-Term Financing				
Services and Supplies	60	60	60	-
Other Charges	482	482	230	(252)
Total	542	542	290	(252)
Total Interest on Notes and Warrants	542	542	290	(252)
TOTAL DEBT SERVICE	542	542	290	(252)
CONTINGENCIES				
<u>Appropriation for Contingencies</u>				
Contingencies - General Fund				
Approp for Contingency	15,265	7,677	-	(7,677)
Total	15,265	7,677	-	(7,677)
Total Appropriation for Contingencies	15,265	7,677	-	(7,677)
TOTAL CONTINGENCIES	15,265	7,677	-	(7,677)
TOTAL GENERAL FUND	<u>\$ 248,042</u>	<u>\$ 257,684</u>	<u>\$ 240,511</u>	<u>\$ (17,173)</u>

**SPECIAL REVENUE - NON-SPECIAL DISTRICTS
DETAIL BUDGET SCHEDULE**

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE NON-SPECIAL DISTRICTS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (in thousands)
FOR THE YEAR ENDED JUNE 30, 2002

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Actual to Adjusted Budget Over (Under)
GENERAL				
Co-Wide Automation Replacement				
Other Financing Uses	\$ -	\$ 424	\$ 424	\$ -
Fixed Assets - Building	100	100	-	100
Fixed Assets - Equipment	1,370	1,370	1,336	34
Total	1,470	1,894	1,760	134
Organizational Effectiveness				
Services and Supplies	535	535	308	227
Total	535	535	308	227
Governmental Leasing				
Services and Supplies	-	-	5,024	(5,024)
Other Charges	5,032	5,032	5	5,027
Other Financing Uses	-	-	1,259	(1,259)
TOTAL	5,032	5,032	6,288	(1,256)
TOTAL GENERAL	7,037	7,461	8,356	(895)
PUBLIC PROTECTION				
Fish and Game				
Services and Supplies	20	20	11	9
Total	20	20	11	9
Wildlife Grazing				
Services and Supplies	10	25	25	-
Approp for Contingency	4	-	-	-
Total	14	25	25	-
TOTAL PUBLIC PROTECTION	34	45	36	9
PUBLIC WAYS AND FACILITIES				
Impact Fee - Traffic				
Services and Supplies	3,763	6,430	1,810	4,620
Total	3,763	6,430	1,810	4,620
Public Facilities Fee				
Other Charges	8,958	-	-	-
Other Financing Uses	-	9,335	4,297	5,038
Total	8,958	9,335	4,297	5,038

Continued on next page

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE NON-SPECIAL DISTRICTS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (in thousands)
FOR THE YEAR ENDED JUNE 30, 2002

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Actual to Adjusted Budget Over (Under)
Roads				
Services and Supplies	11,621	11,778	11,668	110
Other Charges	14,774	23,558	11,358	12,200
Total	26,395	35,336	23,026	12,310
TOTAL PUBLIC WAYS AND FACILITIES	39,116	51,101	29,133	21,968
HEALTH AND SANITATION				
Community Development				
Services and Supplies	557	2,568	1,989	579
Other Charges	3,624	7,148	2,245	4,903
Other Financing Uses	-	556	556	-
Total	4,181	10,272	4,790	5,482
TOTAL HEALTH AND SANITATION	4,181	10,272	4,790	5,482
PUBLIC ASSISTANCE				
California Health Care Indigent Program				
Services and Supplies	1,089	1,255	1,167	88
Total	1,089	1,255	1,167	88
County Medical Services Program				
Salaries Wages Benefits	736	748	742	6
Services and Supplies	2,418	2,444	2,444	-
Total	3,154	3,192	3,186	6
Emergency Medical Services				
Services and Supplies	438	438	438	-
Total	438	438	438	-
TOTAL PUBLIC ASSISTANCE	4,681	4,885	4,791	94
EDUCATION				
First Offender/Drunk Driver				
Salaries Wages Benefits	1,022	1,022	938	84
Services and Supplies	432	432	422	10
Other Charges	28	28	28	-
Approp for Contingency	80	80	-	80
Total	1,562	1,562	1,388	174

Continued on next page

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE NON-SPECIAL DISTRICTS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (in thousands)
FOR THE YEAR ENDED JUNE 30, 2002

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Actual to Adjusted Budget Over (Under)
Library				
Salaries Wages Benefits	3,150	3,160	3,129	31
Services and Supplies	2,322	2,438	2,334	104
Other Charges	396	722	175	547
Fixed Assets - Equipment	231	232	232	-
Approp for Contingency	200	200	-	200
Total	6,299	6,752	5,870	882
TOTAL EDUCATION	7,861	8,314	7,258	1,056
RECREATIONAL AND CULTURAL SERVICES				
Parks				
Salaries Wages Benefits	2,541	2,574	2,574	-
Services and Supplies	2,083	2,227	2,087	140
Other Charges	104	352	199	153
Fixed Assets - Land	-	43	35	8
Fixed Assets - Equipment	5	5	-	5
Approp for Contingency	166	115	-	115
Total	4,899	5,316	4,895	421
TOTAL RECREATIONAL/CULTURAL	4,899	5,316	4,895	421
TOTAL SPECIAL REVENUE				
NON-SPECIAL DISTRICTS	\$ 67,809	\$ 87,394	\$ 59,259	\$ 28,135

**SPECIAL REVENUE – SPECIAL DISTRICTS
DETAIL BUDGET SCHEDULES**

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE - SPECIAL DISTRICTS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (in thousands)
FOR THE YEAR ENDED JUNE 30, 2002

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Actual to Adjusted Budget Over (Under)
PUBLIC PROTECTION				
SLO Flood Control, Water				
Services and Supplies	\$ 2,206	\$ 2,206	\$ 1,930	\$ 276
Other Financing Uses	-	-	533	(533)
Fixed Assets - Equipment	10	18	4	14
Total	2,216	2,224	2,467	(243)
Flood Control Zone 1				
Services and Supplies	217	288	270	18
Total	217	288	270	18
Flood Control Zone 1-A				
Services and Supplies	16	2	1	1
Other Financing Uses	-	14	14	-
Total	16	16	15	1
Flood Control Zone 4				
Services and Supplies	5	5	3	2
Total	5	5	3	2
Flood Control Zone 9				
Services and Supplies	181	181	39	142
Total	181	181	39	142
Flood Control Zone 16				
Services and Supplies	23	23	21	2
Total	23	23	21	2
Nipomo Lighting				
Services and Supplies	41	41	16	25
Fixed Assets - Building	150	150	-	150
Total	191	191	16	175
CSA 9				
Services and Supplies	1	1	1	-
Other Financing Uses	5	5	5	-
Total	6	6	6	-
CSA 22 Airport Area				
Services and Supplies	3	3	-	3
Total	3	3	-	3
TOTAL PUBLIC PROTECTION	2,858	2,937	2,837	100

PUBLIC WAYS AND FACILITIES

CSA 7				
Services and Supplies	2	2	1	1
Other Financing Uses	20	20	20	-
Total	22	22	21	1
CSA 7-B				
Services and Supplies	27	27	1	26
Total	27	27	1	26
CSA 10-Parent (w/ Lighting)				
Services and Supplies	397	397	33	364
Total	397	397	33	364

Continued on next page

COUNTY OF SAN LUIS OBISPO
SPECIAL REVENUE - SPECIAL DISTRICTS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (in thousands)
FOR THE YEAR ENDED JUNE 30, 2002

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Actual to Adjusted Budget Over (Under)
CSA 16				
Services and Supplies	13	13	8	5
Fixed Assets - Building	3	3	-	3
Total	16	16	8	8
CSA 17				
Services and Supplies	3	3	-	3
Total	3	3	-	3
CSA 17-1 G/O DSF				
Total	-	-	-	-
CSA 21				
Services and Supplies	42	42	1	41
Total	42	42	1	41
CSA 21 Coop Rd Imp Constr				
Other Charges	797	1,214	371	843
Other Financing Uses	-	5	5	-
Total	797	1,219	376	843
CSA 21 Coop Rd Imp Assmnt				
Services and Supplies	5	5	-	5
Other Charges	50	50	-	50
Other Financing Uses	105	105	3	102
Total	160	160	3	157
CSA 9 Coop Road Imp Const				
Other Charges	163	158	9	149
Other Financing Uses	-	5	5	-
Total	163	163	14	149
CSA 9 Coop Road Imp Assmt				
Services and Supplies	2	2	-	2
Other Charges	20	20	-	20
Other Financing Uses	37	37	5	32
Total	59	59	5	54
TOTAL PUBLIC WAYS AND FACILITIES	1,686	2,108	462	1,646
TOTAL SPECIAL REVENUE				
- SPECIAL DISTRICTS	\$ 4,544	\$ 5,045	\$ 3,299	\$ 1,746



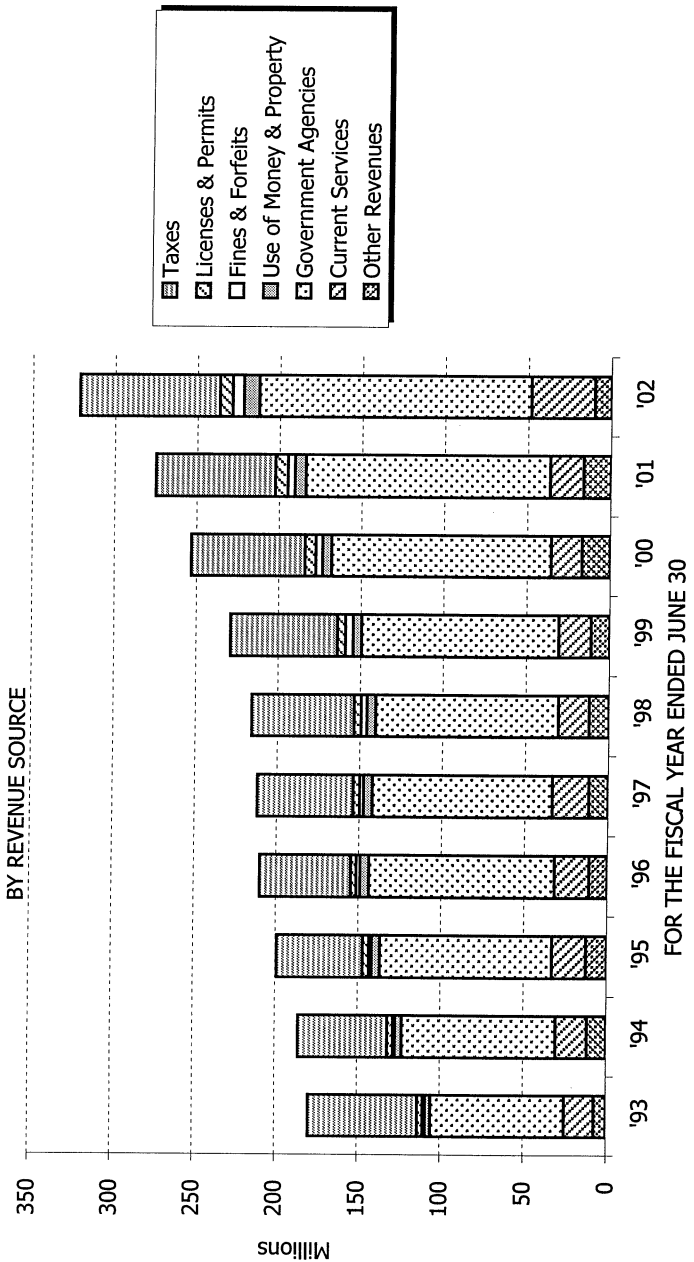
STATISTICAL SECTION



COUNTY OF SAN LUIS OBISPO
GENERAL AND SPECIAL REVENUE FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(In 1,000's)
(UNAUDITED)

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses Permits & Franchises</u>	<u>Fines Forfeits & Penalties</u>	<u>Revenues from Use of Money & Property</u>	<u>Aid from Governmental Agencies</u>	<u>Charges for Current Services</u>	<u>Other Revenues</u>	<u>Total Revenues</u>	<u>Percentage Change From Prior Year</u>
1992-93	\$66,083	\$3,440	\$1,491	\$3,106	\$80,380	\$17,836	\$7,247	\$179,583	2.07 %
1993-94	54,010	3,495	1,473	3,784	92,750	18,849	11,429	185,790	3.46
1994-95	52,144	3,753	1,879	4,750	103,641	20,564	12,388	199,119	7.17
1995-96	55,288	3,295	2,233	5,321	111,918	20,797	10,834	209,686	5.31
1996-97	58,228	3,824	2,461	5,202	108,580	22,029	11,412	211,736	0.98
1997-98	61,993	4,339	3,467	5,172	110,187	18,441	11,902	215,501	1.78
1998-99	65,076	4,913	4,533	5,071	118,996	19,294	11,182	229,065	6.29
1999-00	69,011	6,606	4,145	5,433	132,404	18,451	16,975	253,025	10.46
2000-01	72,601	7,592	4,352	6,518	147,509	19,980	16,438	274,990	8.68
2001-02	84,972	7,849	6,905	9,266	164,337	38,233	9,874	321,436	16.89

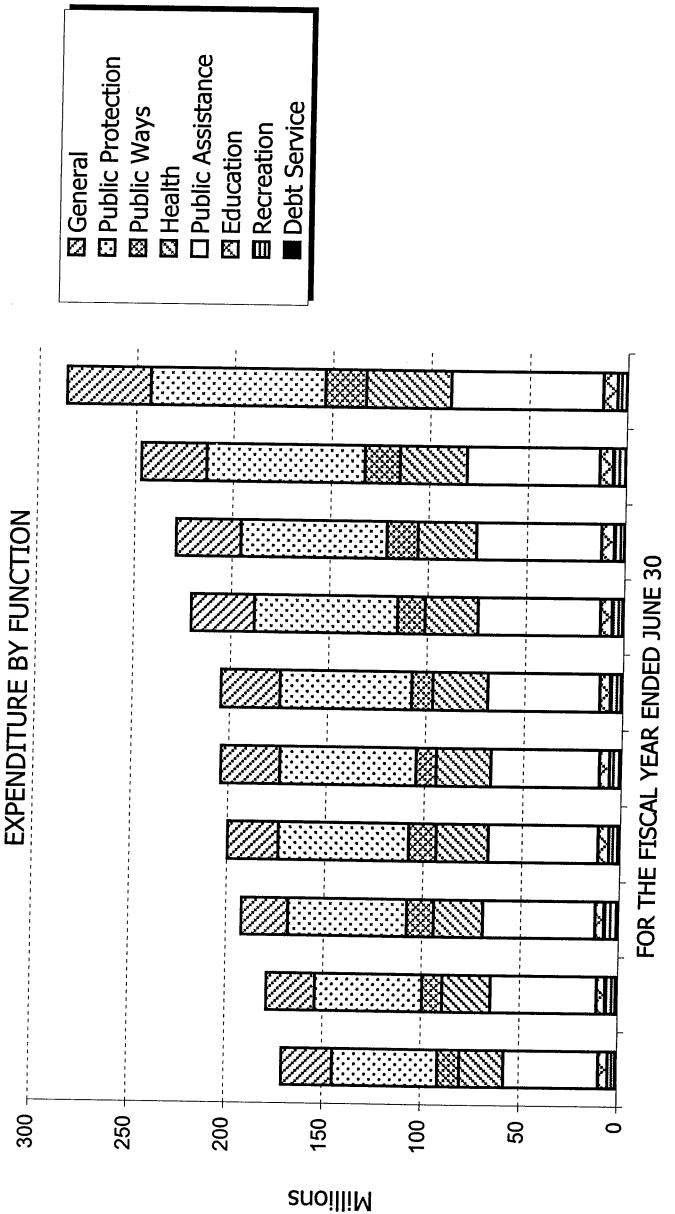
GENERAL AND SPECIAL REVENUE FUNDS
BY REVENUE SOURCE



COUNTY OF SAN LUIS OBISPO
GENERAL AND SPECIAL REVENUE FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
(In 1,000's)
(UNAUDITED)

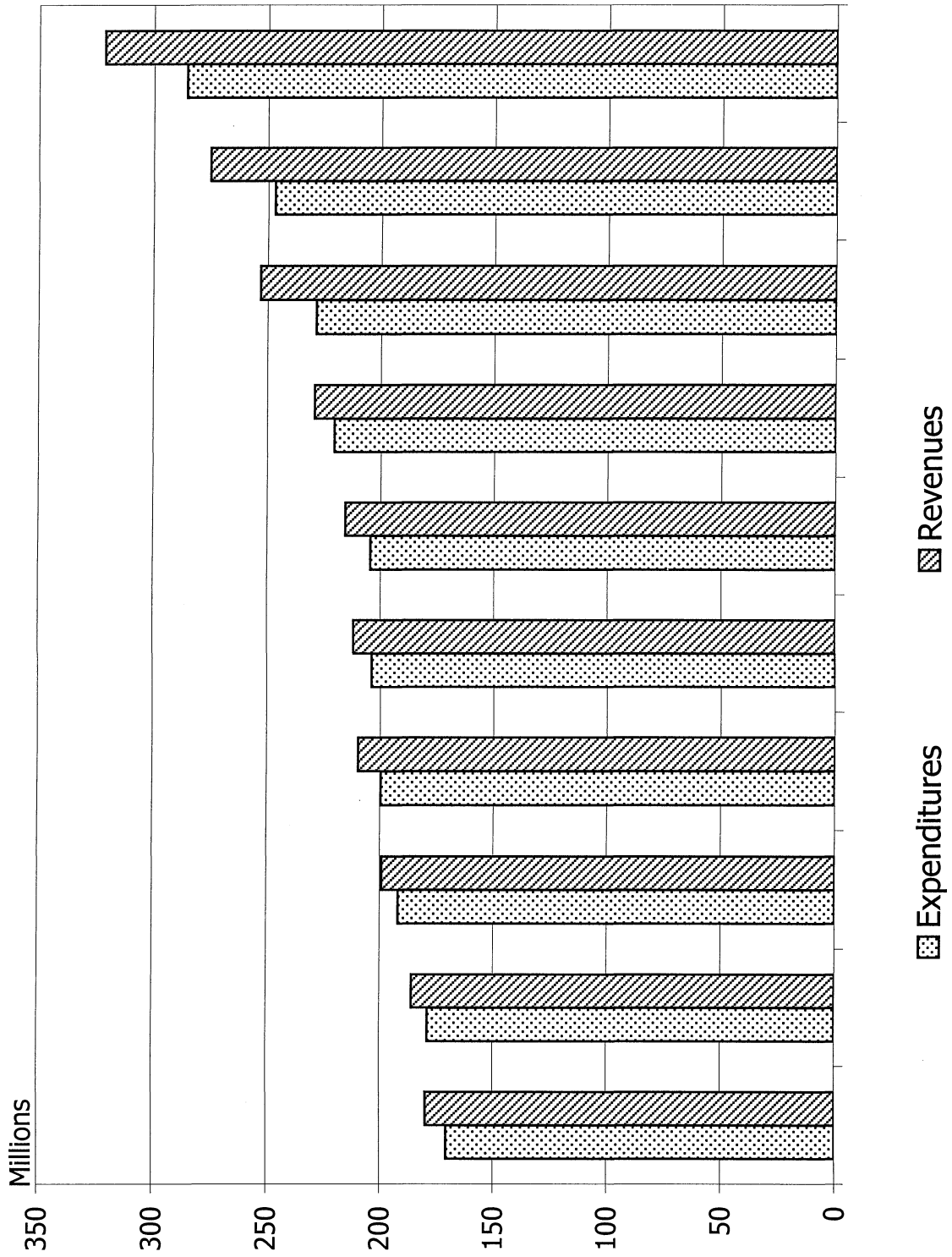
<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Protection</u>	<u>Public Ways & Facilities</u>	<u>Health & Sanitation</u>	<u>Public Assistance</u>	<u>Education</u>	<u>Recreational & Cultural</u>	<u>Debt Service</u>	<u>Total Expenditures</u>	<u>Percentage Change From Prior Year</u>
1992-93	\$25,960	\$53,370	\$11,166	\$22,357	\$48,366	\$4,670	\$3,978	\$ 648	\$170,515	(0.80) %
1993-94	24,748	54,571	10,315	24,263	54,173	4,316	5,378	969	178,733	4.82
1994-95	23,781	60,446	13,555	24,966	57,168	4,516	6,287	1,185	191,904	7.37
1995-96	25,927	66,308	13,998	26,409	55,872	5,449	4,628	1,084	199,675	4.05
1996-97	30,178	69,359	10,153	27,760	55,162	5,083	5,118	1,024	203,837	2.08
1997-98	30,242	66,941	10,733	27,918	56,926	5,341	5,469	884	204,454	0.30
1998-99	32,354	72,970	13,819	26,887	62,303	6,033	5,343	647	220,356	7.78
1999-00	33,082	74,332	15,858	29,637	63,541	6,500	5,195	327	228,472	3.68
2000-01	33,347	80,691	17,940	33,852	67,611	6,775	6,255	387	246,858	8.05
2001-02	42,765	89,119	20,836	43,071	77,350	7,285	4,800	290	285,516	15.66

GENERAL AND SPECIAL REVENUE FUNDS
EXPENDITURE BY FUNCTION

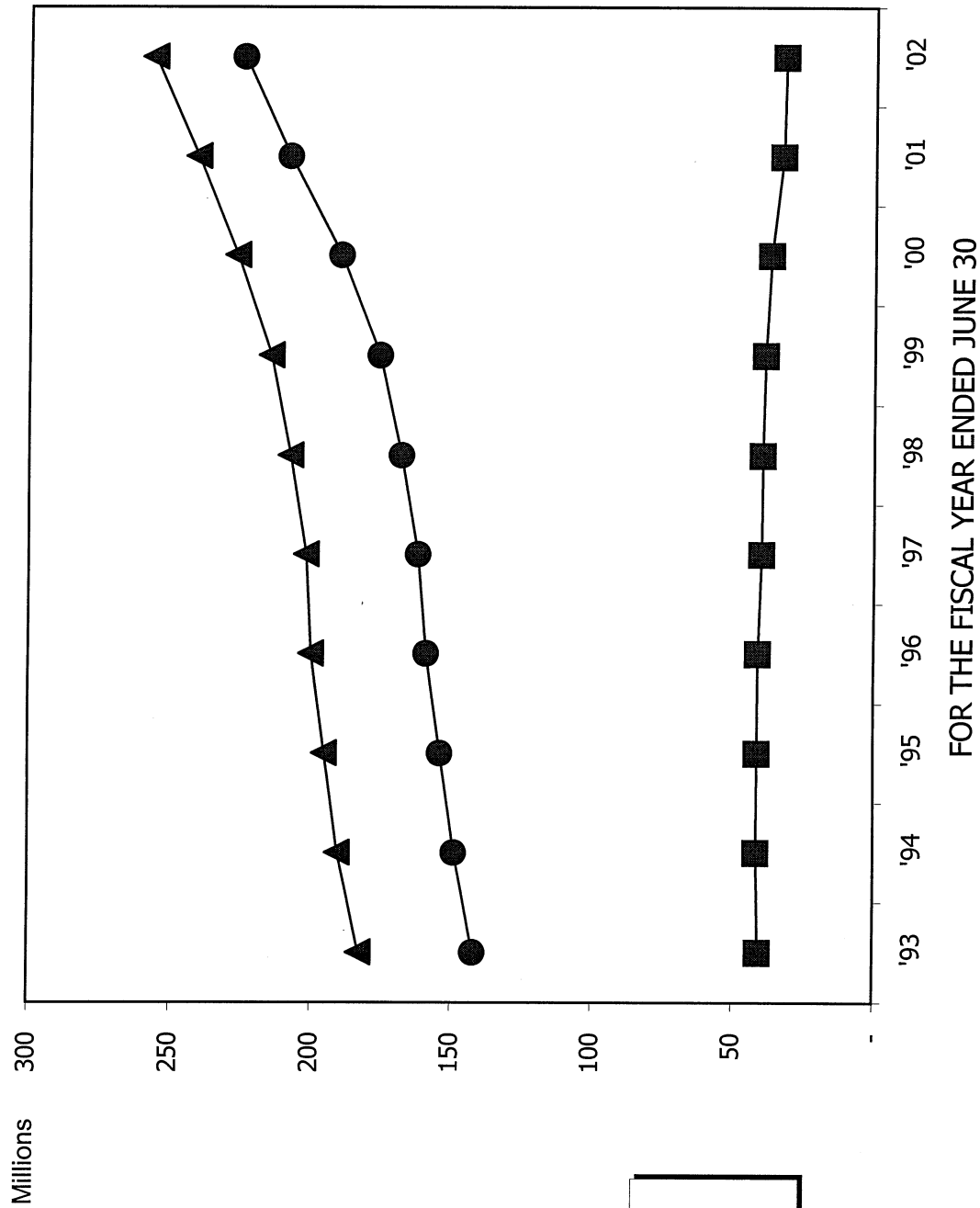


GENERAL AND SPECIAL REVENUE FUNDS

REVENUE VS EXPENDITURES AS OF JUNE 30



PROPERTY TAX LEVIES FROM COUNTY AND STATE ASSESSMENT



COUNTY OF SAN LUIS OBISPO
CURRENT SECURED PROPERTY TAX LEVIES, COLLECTIONS, AND DELINQUENCIES
LAST TEN FISCAL YEARS
(In 1,000'S)
(UNAUDITED)

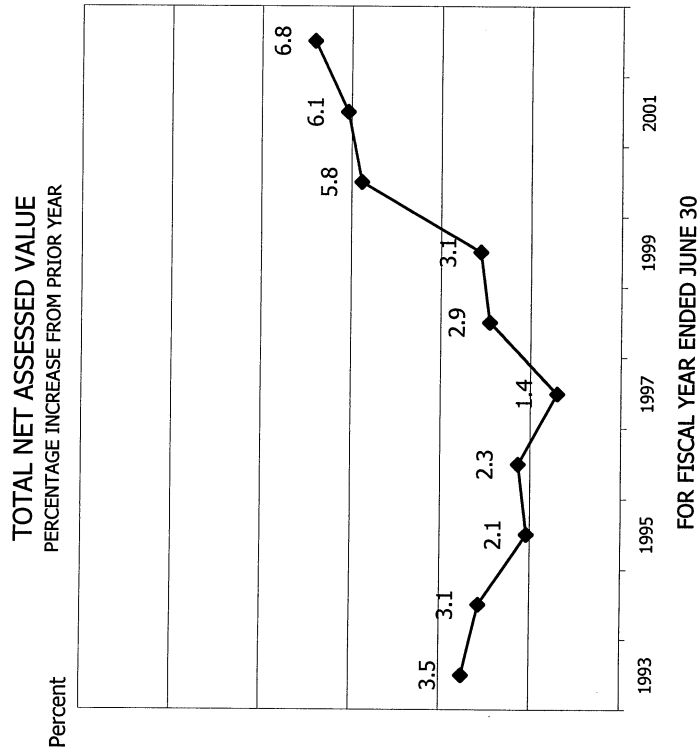
FISCAL YEAR	COUNTY PORTION OF TAX LEVY	COLLECTIONS		DELINQUENCY	
		AMOUNT	PERCENT OF LEVY	AMOUNT	PERCENT OF LEVY
1992-93	\$56,099	\$53,305	95.0 %	\$2,794	5.0 %
1993-94	46,016	44,450	96.6	1,566	3.4
1994-95	46,893	45,563	97.2	1,330	2.8
1995-96	47,863	46,719	97.6	1,144	2.4
1996-97	48,541	47,504	97.9	1,037	2.1
1997-98	49,659	48,710	98.1	949	1.9
1998-99	51,425	50,668	98.5	757	1.5
1999-00	53,226	52,546	98.7	680	1.3
2000-01	55,789	55,101	98.8	688	1.2
2001-02	59,352	58,562	98.7	790	1.3

Source: County Property Tax System

COUNTY OF SAN LUIS OBISPO
 ASSESSED VALUATIONS
 LAST TEN FISCAL YEARS
 (In 1,000's)
 (UNAUDITED)

Fiscal Year	Secured	Unsecured	Exemptions	Net Assessed Valuations	Percentage Increase from Prior Year
1992-93	\$ 16,609,999	\$ 551,836	(405,938)	\$ 16,755,897	3.5 %
1993-94	17,219,741	484,137	(423,451)	17,280,427	3.1
1994-95	17,618,355	463,097	(441,365)	17,640,087	2.1
1995-96	17,991,880	494,255	(446,296)	18,039,839	2.3
1996-97	18,251,950	518,574	(476,056)	18,294,468	1.4
1997-98	18,718,803	601,121	(492,665)	18,827,259	2.9
1998-99	19,358,789	588,429	(532,447)	19,414,771	3.1
1999-00	20,457,019	630,584	(552,477)	20,535,126	5.8
2000-01	21,636,143	712,208	(565,668)	21,782,683	6.1
2001-02	23,038,553	834,800	(603,887)	23,269,466	6.8

Source: County Property Tax System

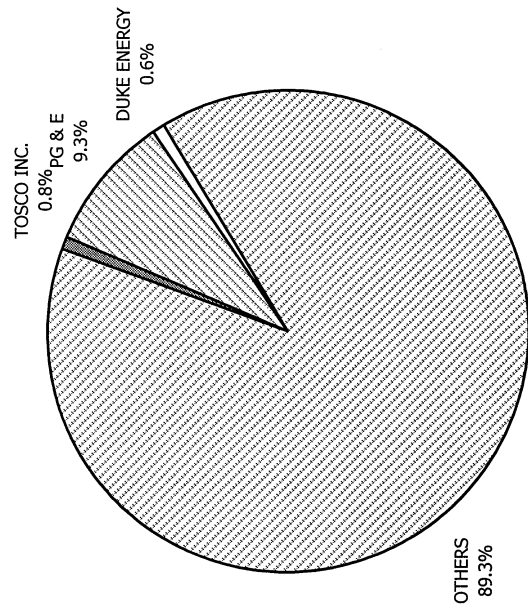


COUNTY OF SAN LUIS OBISPO
PRINCIPAL TAXPAYERS
FISCAL YEAR 2001-02
(In 1,000's)
(UNAUDITED)

Taxpayer	Type of Business	Assessed Value	Percentage of Total County Assessed Value
Pacific Gas & Electric Co.	Utility	\$ 2,168,840	9.32 %
Tosco Corp A NV Corp.	Oil and Construction	\$ 184,832	0.79
Duke Energy Morro Bay LLC	Utility	\$ 136,822	0.59
Pacific Bell & Subsidiaries	Utility	\$ 119,775	0.51
ESJ Centers LLC ETAL	Real Estate	\$ 51,018	0.22
Beringer Wine Estates Co.	Agriculture	\$ 48,214	0.21
Global Crossings Telecommunications Inc.	Communications	\$ 47,694	0.20
Charter Communications Properties LLC	Utility	\$ 45,688	0.20
Level 3 Communications, LLC	Communications	\$ 42,070	0.18
Southern California Gas Company	Utility	\$ 41,365	0.18
Total		\$ 2,886,319	12.40

Source: County Property Tax System

LARGEST SECURED PROPERTY ASSESSMENTS
AS A PERCENTAGE OF TOTAL ASSESSMENTS



COUNTY OF SAN LUIS OBISPO
PROPERTY TAX RATES FOR COUNTY AND MAJOR OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUES)
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	County Wide		Cities, Schools and Special Districts Combined Rates						
	General County	State Water Project	Arroyo Grande	Paso Robles	San Luis Obispo	Pismo Beach	Grover Beach	Morro Bay	Atascadero
	Tax Rate								
1992-93	1.0	.0081	.0168	.3575	.1075	.0203	.0229	.1075	.1034
1993-94	1.0	.0091	.0117	.3575	.1075	.0157	.0191	.1075	.1026
1994-95	1.0	.0087	.0044	.3575	.1075	.0012	.0136	.1075	.1015
1995-96	1.0	.0087	.0089	.3575	.1075	.0140	.0184	.1075	.0990
1996-97	1.0	.0063	.0000	.3575	.1075	.0190	.0184	.1075	.0976
1997-98	1.0	.0049	.0234	.3575	.1075	.0234	.0234	.1075	.0975
1998-99	1.0	.0047	.0224	.3575	.1075	.0224	.0224	.1075	.0975
1999-00	1.0	.0035	.0168	.3575	.1075	.0168	.0168	.0097	.0975
2000-01	1.0	.0023	.0188	.3575	.1075	.0188	.0188	.0086	.0975
2001-02	1.0	.0023	.0167	.3575	.1075	.0167	.0167	.0083	.0975

Note: Rates shown represent the most common rates encountered for the tax rate areas within these cities.

COUNTY OF SAN LUIS OBISPO
 ASSESSED VALUATION AND LEGAL DEBT MARGIN
 FISCAL YEAR 2001-02
 (In 1,000's)
 (UNAUDITED)

SECURED ROLL

Land	\$	9,425,421	
Improvements		12,805,347	
Personal Property		500,854	
Fixtures		306,931	
Total Secured Roll	\$		23,038,553

UNSECURED ROLL

Improvements	83,356	
Personal Property	601,727	
Fixtures	149,717	
Total Unsecured Roll	834,800	
LESS: EXEMPTIONS	(603,887)	
NET ASSESSED VALUE - ALL ROLLS	\$	23,269,466

LEGAL DEBT MARGIN

Debt Limitation - 1.25% of net assessed value	\$	290,868
County Debt Applicable to Limit		13,200
Legal Debt Margin	\$	277,668

COUNTY OF SAN LUIS OBISPO
DIRECT AND OVERLAPPING BONDED DEBT
LAST TEN FISCAL YEARS
(In 1,000's)
(UNAUDITED)

<u>Fiscal Year</u>	<u>State Water Project (1)</u>	<u>County Schools</u>	<u>County Service Areas</u>	<u>County Flood Control</u>	<u>Waterworks</u>	<u>Assessment and Special Districts (2)</u>	<u>City Bonds</u>	<u>Total Direct and Overlapping Debt</u>
1992-93	\$126,962	\$1,510	\$480	\$5,880	\$36	\$5,001	\$480	\$140,349
1993-94	97,877	1,465	462	5,340	36	4,381	375	109,936
1994-95	123,292	1,400	444	4,775	630	3,617	265	134,423
1995-96	40,331	1,360	421	4,180	624	3,779	145	50,840
1996-97	52,663	1,325	398	3,580	613	3,214	0	61,793
1997-98	51,523	1,285	375	2,855	602	2,424	0	59,064
1998-99	33,788	26,594	346	2,570	590	5,160	0	69,048
1999-00	38,989	30,255	317	2,045	1,441	4,870	0	77,917
2000-01	36,774	29,974	288	30,395	1,401	4,473	0	103,305
2001-02	35,934	31,971	79	14,105	547	4,035	37,999	124,670

Notes:

- (1) Estimates only. Based on projected capital cost of Water Transportation network including Central Coast Branch.
- (2) Excludes Nipomo Community Services District. Figures not available.

COUNTY OF SAN LUIS OBISPO
COUNTY BONDED DEBT AS PERCENTAGE OF NET ASSESSED VALUE
AND IN DOLLARS PER CAPITA
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Gross General Bonded Debt (in 1,000's)</u>	<u>Proprietary Fund Debt (in 1,000's)</u>	<u>Net General Bonded Debt (in 1,000's)</u>	<u>Net Assessed Value (in 1,000's)</u>	<u>Ratio of Net General Bonded Debt to Net Assessed Value</u>	<u>Population</u>	<u>(1)(2)</u>	<u>Net General Bonded Debt Per Capita</u>
1992-93	\$ 6,360	\$ (6,360)	\$ 0	\$ 16,755,897	0 %	223,000		\$ 0
1993-94	5,802	(5,802)	0	17,280,427	0	225,400		0
1994-95	5,219	(5,219)	0	17,640,087	0	227,200		0
1995-96	4,601	(4,601)	0	18,039,843	0	229,500		0
1996-97	3,978	(3,978)	0	18,294,468	0	232,700		0
1997-98	3,230	(3,230)	0	18,827,260	0	236,400		0
1998-99	2,916	(2,916)	0	19,414,771	0	239,300		0
1999-00	2,362	(2,362)	0	20,535,126	0	245,200		0
2000-01	14,978	(14,978)	0	21,782,684	0	252,100		0
2001-02	14,184	(14,184)	0	23,269,466	0	253,600		0

(1) Source: State Department of Finance as of January 1 of the years shown

(2) See note e, Demographic Statistics

COUNTY OF SAN LUIS OBISPO
REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
(In 1,000's)
(UNAUDITED)

COUNTY SERVICE AREA NO. 18			Debt Service Requirements			
Fiscal Year	Gross Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Principal	Interest	Total Coverage
1992-93	\$ 217	\$ 213	\$ 4	\$ 15	\$ 29	\$ 44 0.09
1993-94	227	180	46	15	28	43 1.09
1994-95	218	174	44	15	27	42 1.06
1995-96	223	152	72	20	26	46 1.57
1996-97	236	143	93	20	24	44 2.11
1997-98	239	214	25	20	23	43 0.59
1998-99	299	252	48	25	21	46 1.03
1999-00	368	265	103	25	19	44 2.32
2000-01	366	289	76	25	18	43 1.80
2001-02 (2)						

(1) Excludes depreciation and revenue bond interest expenses.

(2) This Revenue Bond (County Service Area No. 18) was retired on December 1, 2001.

COUNTY OF SAN LUIS OBISPO
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Population (1,a,c,e)</u>	<u>Per Capita Income (2,a,d)</u>	<u>Median Age (1,c)</u>	<u>School Enrollment (3,b)</u>	<u>Unemployment Rate (4,a)</u>
1992-93	223,000	\$ 18,748	33.97	38,689	7.1 %
1993-94	225,400	19,115	34.25	38,760	7.5
1994-95	227,200	19,509	34.51	40,056	7.4
1995-96	229,500	20,244	34.75	40,963	6.5
1996-97	232,700	21,412	34.96	42,331	5.5
1997-98	236,400	22,568	35.20	42,951	4.7
1998-99	239,300	24,807	35.43	43,792	4.2
1999-00	245,200	25,888	34.00	44,528	3.3
2000-01	252,100	26,932	33.09	45,141	3.0
2001-02	253,600	Not Available	33.14	45,665	2.9

Sources:

1. State Department of Finance
2. U.S. Department of Commerce, Bureau of Economic Analysis
3. San Luis Obispo County Schools & Cuesta College
4. Employment Development Department, Research Division, Los Angeles

Notes:

- a. Data for calendar years
- b. Data includes kindergarten through grade 12 and Cuesta College
- c. These figures are projections based on the 2000 census.
- d. Prior years were revised per the U.S. Department of Commerce. Income for 2002 not available until after December 2002.
- e. The State Department of Finance has adopted a new method of estimating population for cities and counties. The new method was used to revise city and county numbers for earlier years in the 1990's.

COUNTY OF SAN LUIS OBISPO
PROPERTY VALUES, CONSTRUCTION, AND BANK DEPOSITS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Calendar Year</u>	<u>Valuation (in 1,000's) (1) (2)</u>		<u>New Dwelling Units (1) (2)</u>			<u>Bank Deposits (in 1,000's) (3)</u>
	<u>Residential</u>	<u>Non-Residential</u>	<u>Total Values</u>	<u>Single Family</u>	<u>Multiple Family</u>	<u>Total Units</u>
1992	\$ 103,318	\$ 42,284	\$ 145,602	624	42	666
1993	122,652	42,720	165,372	779	78	857
1994	146,165	51,984	198,149	995	88	1,083
1995	141,425	32,909	174,334	917	68	985
1996	162,253	40,052	202,305	1,105	71	1,176
1997	194,306	58,596	252,902	1,261	68	1,329
1998	269,367	74,690	344,057	1,680	50	1,730
1999	270,080	93,049	363,129	1,578	86	1,664
2000	293,413	116,607	410,020	1,547	103	1,650
2001	356,243	83,836	440,079	1,687	338	2,025
						1,485,278
						1,470,488
						1,588,170
						1,601,076
						1,605,172
						2,288,140
						2,435,501
						2,602,156
						2,775,185
						3,077,442

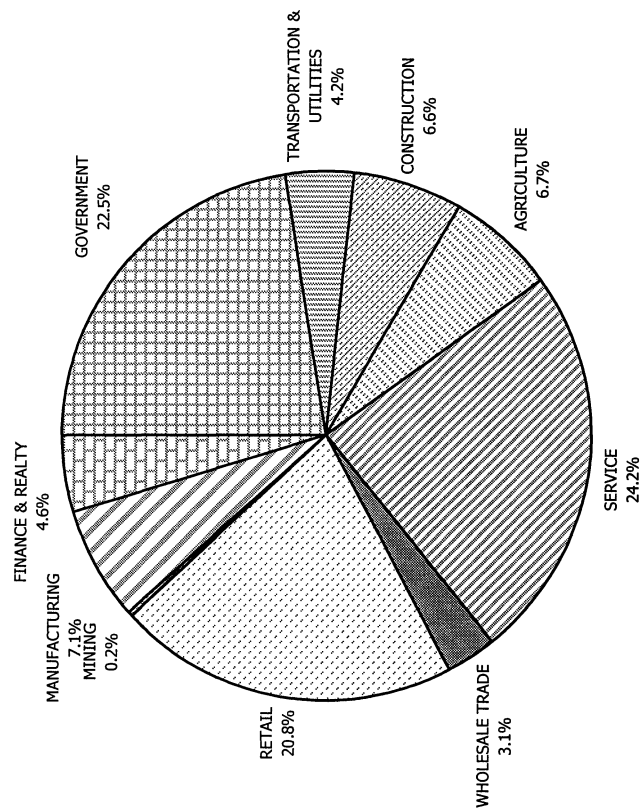
Sources:

1. California State Census Data Center, as of 1990
2. Construction Industry Research Board, as of 1995
3. FDIC, Washington, D.C.

COUNTY OF SAN LUIS OBISPO
TOP TEN EMPLOYERS
FISCAL YEAR 2001-02
(UNAUDITED)

<u>Organization</u>	<u>Number of Employees</u>
County of San Luis Obispo	2,732
California Polytechnic State University, SLO	2,706
Atascadero State Hospital	1,925
California Men's Colony	1,650
Pacific Gas and Electric Company	1,500
Cal Poly Foundation	1,381
Lucia Mar Unified School District	1,012
Paso Robles Public Schools	898
Sierra Vista Regional Medical Center	850
San Luis Coastal Unified School District	848
Total Employees	<u>15,502</u>

EMPLOYMENT BY ECONOMIC SECTOR*
(As of June 2002)



*Source: Employment Development Department

COUNTY OF SAN LUIS OBISPO
MISCELLANEOUS STATISTICAL DATA
FISCAL YEAR 2001-02
(UNAUDITED)

Location and Geographical Features

San Luis Obispo County, the fifteenth largest county in the State covering 3,326 square miles, is located on the California Coast midway between San Francisco and Los Angeles. It is bordered by Monterey County to the north, Kern County to the east, Santa Barbara County to the south and the Pacific Ocean to the west. The Santa Lucia Range dominates the western half of the County; the eastern half lies along the Temblor Range. There is little level land except in some coastal valleys, along the northern border and in the Carrisa Plains. Except for a coastal strip, the southern half of the County is within the Los Padres National Forest. Along the coast the climate is moderate. In the City of San Luis Obispo, the mean annual temperature is 59 degrees with an average annual rainfall of 24 inches. The inland areas have higher average temperatures and less rainfall. During the summer, the temperature may be as much as 30 degrees cooler along the coast than it is in the interior regions.

Along the coastline of San Luis Obispo are many recreational areas and tourist attractions. Some popular water-related activities include swimming, boating, surfing, fishing, clamming and water skiing at the beaches and lakes in the County. The nationally known Hearst Castle in San Simeon attracts thousands of visitors annually.

County Government

San Luis Obispo County was established in 1850 as one of California's original counties. The City of San Luis Obispo is the County seat. The County has a general law form of government. Its five-member Board of Supervisors is elected by district for four-year terms of office. Other elected officials include the Assessor, Auditor-Controller, County Clerk-Recorder, District Attorney, Sheriff-Coroner and Treasurer-Tax Collector. The County Administrator is appointed by the Board of Supervisors.

Population

Cities	<u>1950</u>	<u>1960</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2002</u>
Arroyo Grande	1,723	3,291	7,454	11,254	14,432	16,450	16,300
Atascadero				16,797	23,138	25,800	27,000
Grover Beach		5,210	5,939	8,833	11,602	12,750	13,150
Morro Bay			7,109	9,078	9,664	9,975	10,500
Paso Robles	4,835	6,677	7,168	9,133	18,583	22,900	25,800
Pismo Beach	1,425	1,762	4,043	5,286	7,669	8,625	8,700
San Luis Obispo	14,180	20,437	28,035	34,184	41,958	43,050	44,450
Unincorporated	29,274	43,667	45,942	60,167	90,116	105,650	107,700
Total	<u>51,437</u>	<u>81,044</u>	<u>105,690</u>	<u>154,732</u>	<u>217,162</u>	<u>245,200</u>	<u>253,600</u>

*Source: State Department of Finance, as of January 1 of the years shown.

COUNTY OF SAN LUIS OBISPO
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 2002
(UNAUDITED)

County Employees

<u>June 30</u>	<u>Number of Employees *</u>
1993	2,444
1994	2,480
1995	2,499
1996	2,573
1997	2,605
1998	2,471
1999	2,489
2000	2,521
2001	2,657
2002	2,732

* Excludes temporary employees

Special Districts

Districts governed by the Board of Supervisors:

County Service Areas	11
Flood Control and Water Conservation	10
Lighting Districts	1
Transit Services	1
Total	23

Districts governed by Local Board:

Community Services Districts	13
County Sanitation Districts	3
County Water Districts	2
Fire Protection Districts	2
Harbor Districts	1
Hospital Districts	1
Public Cemetery Districts	10
Resource Conservation Districts	2
Transit Districts	0
Total	34

COUNTY OF SAN LUIS OBISPO
 MISCELLANEOUS STATISTICAL DATA
 JUNE 30, 2002
 (UNAUDITED)

<u>Education</u>	
School Districts:	Number of
Elementary	Districts
High	<u>2</u>
Unified	0
Community College	7
Total	<u>1</u>
	<u>10</u>
State University	<u>1</u>
<u>Hospitals</u>	
Private	4
County	1
Total	<u>5</u>

Note: Joint County Districts are excluded where San Luis Obispo is not the County of control.

Transportation

The more than 2,300 miles of roads in San Luis Obispo County, of which 1,302 miles are County maintained, include U.S. 101 and State Route 1 lying along the coastal edge of the County and State Routes 41 and 46 crossing the County from west to east. In addition, State Route 166 runs from west to east along the San Luis Obispo County and Santa Barbara County line.

Transcontinental rail and bus services are provided by Union Pacific (AMTRAK) and Greyhound Bus Lines. Charter bus service is available along scenic Highway One, between San Luis Obispo and Monterey. There is one intercity bus line that provides local service and one intercounty line for service from Paso Robles to the San Joaquin Valley. Truck service is provided by several common carriers. Commuter air service is available at San Luis Obispo Airport.

COUNTY OF SAN LUIS OBISPO
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 2002
(In 1,000's)
(UNAUDITED)

<u>Calendar Year</u>	<u>Agriculture</u>					<u>Total</u>
	<u>Field Crops</u>	<u>Fruit & Nut Crops</u>	<u>Seed & Nursery Stock</u>	<u>Vegetable Crops</u>	<u>Animal Industry</u>	
1992	\$ 18,575	\$ 56,619	\$ 37,749	\$ 136,324	\$ 28,419	\$ 277,686
1993	20,666	60,353	39,783	137,316	33,102	291,220
1994	21,020	65,476	45,517	134,784	31,431	298,228
1995	21,340	70,975	50,534	147,771	26,188	316,808
1996	22,445	89,171	56,399	134,047	26,013	328,075
1997	18,056	120,912	65,486	148,129	29,223	381,806
1998	17,614	109,351	70,296	132,895	28,665	358,821
1999	16,296	122,450	85,353	135,393	36,031	395,523
2000	16,180	166,779	93,171	175,643	35,881	487,654
2001	17,025	182,415	91,296	152,531	46,517	489,784

Source: County Department of Agriculture Annual Report

Elections

Gubernatorial Primary Election - March 5, 2002:

Registered Voters	135,476
Number Voting	58,590
Percent Voting	43.2%

Note: Some previous agriculture figures were revised by the San Luis Obispo County Department of Agriculture, Weights, and Measures.

